

EASTERN CAPE PROVINCIAL ADMINISTRATION



ATTRACTION AND RETENTION STRATEGY

FOREWORD BY THE DIRECTOR GENERAL

In response to concerns about the high levels of staff turnover within the Senior Management ranks of the Eastern Cape Provincial Administration, the Office of the Premier was mandated to develop an attraction and retention strategy for the Eastern Cape Provincial Administration.

The provincial administration is currently experiencing an average vacancy rate of 28% across departments. The focus area for fast-tracking recruitment in the province, however, is in the senior management echelon. The majority of vacancies in most departments are found at senior management level, whilst the statistics in relation to excess employees reflect only 4 SMS members in excess in the province. The high percentage vacancy rate at SMS is found at Health 74.2%, Public Works 60%, Education 53%, Housing 51%, Office of the Premier 43%, Sport 36%, Safety 33%, Economic Affairs 32%, Treasury 32% and Roads and Transport 25%. Social development and Agriculture are below 20% and 10% respectively. Despite the fact that some of these vacancies are provided for in the organogram and funded, efforts to fill and retain people in these posts and retain people proved to be fruitless. This demonstrates challenges in attracting and retaining people at senior management level.

There is a significant number of vacancies at middle management level across departments with Housing and Health registering above 50% and OTP, Social Development and Public Works above 30% with the rest below 20%. Departments reflect more than 20% vacancy rate at levels below 9.

The aim of the strategy is to facilitate the Government's ability to attract and retain the key talent necessary to meet the Province's delivery goals.

The first phase of developing the attraction and retention strategy involved undertaking an Employee Effectiveness survey to identify key areas of concern and establish priority areas for intervention with regard to the organisational culture of the Eastern Cape Provincial Administration. The strategies presented in this document are based on the findings of the report.

CONTEXT

It is important to note that the Eastern Cape Provincial Administration operates in a complex environment. A number of internal and external factors influence the Province's ability to attract and retain senior management and other staff. Departments within the Eastern Cape Provincial Administration are influenced by individual goals, mandates, resources, and other characteristics. In addition, they are impacted on by the central government's social, economic and fiscal directions. Together, these factors form a framework for viewing issues affecting the ability of the Eastern Cape Provincial Administration to attract and retain staff. Effectively, addressing attraction and retention requires a long term perspective, collaboration among many stakeholders and serious commitment and accountability. The attraction and retention objectives, strategies and actions should be viewed within this context.

Table of content

- 1. Introduction**
- 2. Defining staff attraction and retention**
- 3. Purpose**
- 4. Sources of authority**
- 5. The key principles of staff attraction and retention**
- 6. Scope of applicability**
- 7. Outcome of survey**
- 8. Managing staff retention in practise**
- 9. Roles and responsibilities**
- 10. Monitoring and evaluation**
- 11. Review of attraction and retention strategy**

- 1. Introduction**

A new human resource management framework introduced an open employment system. According to this system, all vacancies in the Public Service have to be advertised before they can be filled. This system emphasises the need for departments to apply efficient recruitment, selection and retention practices to meet their human resource requirements.

To deal with recruitment and selection system, the Public Service Commission developed a toolkit for departments on the management and execution of the recruitment and selection processes. The toolkit, however, does not address staff retention.

Various studies into employment practices at departmental level in the Public Service revealed serious shortcomings in the ways departments recruit and retain staff.

Despite the general concern around staff turnover, few organisations are able to say exactly what staff losses cost them. According to research conducted by PE Corporate Services in 2000, the costs, on average, is more than 30% of the annual remuneration costs to replace a staff member. This includes –

- The loss of efficiency during the notice period;
- The cost of recruiting and selecting a new staff member;
- The induction stage where the new staff members efficiency and competency is accelerated.
- Severe impact on the service delivery;
- Increase training costs; and
- Result in a substantial loss of the public service memory.

2. Defining staff attraction and retention?

Staff attraction and retention focuses on both attracting suitably qualified professionals whose skills are in demand in the employment market to join the Eastern Cape Provincial Administration through focused recruitment strategies and keeping those who are already employed, especially those whose skills are crucial to the Eastern Cape Provincial Administration.

Staff attraction and retention involves motivating staff by covering both the psychological aspects of the employees, their perception, goals, behaviours and the operational aspects attached to the job or tasks for which they were appointed.

Staff attraction and retention need to be part of the day-to-day human resource management, which requires management's approach that takes all factors of human resource management and practices into account.

3. Purpose

The work environment and the attitudes of the modern day employees have changed. Although most employees today are self-directed and willing to work hard, they want to do so on their own terms and expect development in the work environment. Unlike in the past, where employees expected long-term job security and employment with dependence on their employer for career opportunities and income, people now tend to take personal responsibility for their career growth and advancement. For example, some study part-time at their own expense, and many change jobs for a better remuneration in different organisation rather than wait to be promoted by their current employer.

In fact, research shows that people no longer see loyalty in terms of the number of years spent with the employer, but rather in terms of the contributions, advancement and the value they add to the organisation during their period of employment. Because employees are mobile, employers are no longer expected to just ensure that they are looked after for life. Instead, employers need to manage employee turnover to ensure as little disruption in the workplace as possible and therefore staff retention needs to be seen as a strategic human resource intervention in this regard.

Human resource components and line managers need to take on new organisational roles to ensure that all human resource and management processes contribute to the retention of scarce skills.

The purpose of this strategy is to therefore to implement more effective and efficient human resource management practices and mechanisms of attracting and retaining the right talent in the province

4. Sources of authority

The strategy is based on the :

Public Service Act; 1994

The Scarce Skills Strategy for the Public Service, 2002

The Scarce Skills Policy Framework for the Public Service,2003

The provisions in the Public Service Regulations, 2001

Managing Staff Retention, an information Guide for the Government Departments, 2006

5. The key principles of staff attraction and retention

Staff retention is directly influenced by the quality of six components of the human resource management system:

- Human resource planning, recruitment and selection;
- Optimal human resource utilisation
- Human resource development;
- Compensation and benefits;
- Employee and labour relations;
- Safety and health.

The better each of these is managed, the more likely staff will be attracted to the public service and the less likely they will leave.

Staff attraction and retention also has a strong focus on the psychology of employees and how motivated employees are. The more compatible the public service goals to the employee's expectations and personal preferences, it is more likely that the employees will stay.

For example –

- 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.

6. Scope of applicability

Serious skills shortages experienced especially by service delivery departments, have recently become a main point in discussions around staffing in the Public Service. Government consequently adopted in 2002, a “Scarce Skills Development Strategy for the Public Service” that called for a renewed focus on staff retention.

The Scarce Skills Development Strategy for the Public Service also recognised that retention strategies are urgently needed in the areas of transport engineers, planners and economists, development planners, medical doctors, speech therapists, agricultural researchers and scientists, policy analysts, chartered accountants, engineers, veterinary surgeons, science technicians, health professional and information technology personnel. Managing staff retention is not a new responsibility for departments. Although the Public Service Act, 1994 and other laws, regulations and policies covering human resource management in the Public Service form the basis of the management of staff retention, they provide for incentives in the form of positive things that can be used to attract and retain staff and disincentives which are negative things that may make an employee think twice about leaving.

The skills that you need to target with staff retention strategies are those needed to realise and meet departmental goals and objectives, difficult to recruit and expensive to replace.

The best way of identifying these skills is through consultation between human resource practitioners and line managers. Care should be taken to identify those skills that are important for the department to meet its goals.

It is useful to classify skills as scarce; valued; or high risk. This makes it easier to identify which skills need to be prioritised. Scarce skills are those skills that are needed to realise the department's goals and objectives, which are difficult to recruit and expensive to replace. These will not always be the same. Sometimes, a particular skill may be in short supply, while a different skill may be hard to find and expensive to replace.

7. Outcome of the survey

Job satisfaction reflects as the greatest strengths within the provincial administration which needs to be leveraged through the attraction and retention strategy.

Employees view the public service as providing opportunities for empowerment in order to develop competency in their jobs. There is a greater sense of unity, support and co-operation within the teams in pursuing departmental objectives.

Employees have a view that they are regarded as important part of the Eastern Cape Provincial Administration hence commitment to the work and overall goals of the provincial administration.

Employees are proud and ready to market the ECPA to outsiders and would recommend the province as a place to work and live. Management exercises leadership in terms of control, goal setting, problem solving and relations with subordinates and participative management.

Trust is viewed to be lacking in the provincial administration. Senior managers have a view that employee appraisal and recognition of good work is still a challenge. Fairness in recognition and rewarding good work is not practiced.

Growth and development opportunities is a focal area for intervention because of its strategic importance for employee attraction and retention, critical interventions are essential in this area. Communication is viewed as an area which needs to be strengthened, where managers are expected to provide information to their teams in order to perform their jobs according to set standards.

The negative perception regarding the workload emanates from the lack of clerical support in departments, which view revolves mainly within the senior management ranks. The public service is perceived as paying lower salaries and benefits compared to the private sector.

8. Managing staff attraction and retention in practice

Employees leave their employers for a variety of reasons. Some of the reasons for staff turnover are unavoidable and beyond the control of a department. However, staff turnover is avoidable and can be managed, that is why staff attraction and retention management becomes both possible and important.

Staff attraction and retention management is normally focused on the areas mentioned below :

•Remuneration

Many people leave because they are offered better salaries or service benefits elsewhere. Although the Public Service remuneration system is perceived as inflexible and not competitive enough to attract and keep talented staff, management should make an effort to reward staff who excel and to counter any attempts to poach staff.

The provision in the Public Service Regulations, 2001 which allows departments to increase an employee's salary for purposes of attraction and retention is an important tool in this regard.

Reference is made to Annexure A (incentives), item 3

•Situational factors

A poor work environment leads to employees being unhappy at work and makes other job options attractive to them. In order to retain staff, management must create work environment which takes consideration of :

- o employee morale;
- o motivation;
- o provision of strategic direction,
- o leadership and communication;
- o positive work challenges; and
- o employees empowerment.

Other important factor for, in particular, retention of staff is the work organization. If the work organization is too rigid, employees tend to be restricted in terms of learning and development.

Employee Wellness is equally important for the retention of staff in ECPA. If the employees feel that they are valued and cared for, they will be more loyal and less prone to poaching from other employers. The employees' physical, psychological, social and spiritual need are as important as their need for money and intellectual stimuli. Safety and security should not be underestimated as retention and attraction factors in the workplace. To keep the staff healthy and happy is important for any employer.

•Career development.

Create opportunities for growth which allow employees to pursue career of choice to address individual needs and ultimately organizational needs and objectives.

Development and implementation of career management tools to ensure that employees can pursue a future career path in the Provincial Administration.

Make employees aware that opportunities exist for career growth and an increased level of responsibilities. The growth opportunities might not always be upwards though.

Some employees may be satisfied with learning a new job that they are very interested in even though it will not mean promotion or higher salary. The establishment of a personal development plan for each employee is the joint responsibility of line managers and employees and should be linked to their current competencies, performance management outcomes and departmental needs. These plans should be reviewed on a regular basis.

Project organizations, internal mobility and the opportunities for lateral mobility is important to keep staff and to give them possibilities for personal growth. It will also attract people who are curious and would like to develop and grow professionally

•Employee Empowerment

Development of Affirmative Action and Employment Equity policies to redress past discriminatory imbalances and skills shortages amongst historically disadvantaged groups is essential.

• Co-operation and resistance to change

Seamless adoption of changes and communication to all employees in order to address :

- o Fear of the unknown;
- o Reluctance to change old habits;
- o Self interest;
- o Economic insecurity;
- o Failure to recognise why the change is necessary; and
- o General mistrust.

• Internal mobility and job-hopping

The provincial administration should create opportunities for internal mobility, either through promotion or job enrichment to retain modern employees and young talent which is often attracted by economically stronger provinces at the disadvantage of the Eastern Cape province.

- **Leadership and management style.**

Entrench management style which encourages employee growth, empowerment, people-focused and goal setting. Management should conduct accurate quarterly performance assessments which helps to identify development opportunities for employees.

Soft skills such as participation in decision making should be nurtured by the leaders among its teams.

Most employees are more committed to their managers, fellow employees and the culture that drives the department. After establishing department's values it is essential that managers are seen to be living up to the values.

Managers with bad leadership and management styles can be trained or advised of their conduct .

- **Effective communication and grievance procedures.**

Upward and downward communication, application of fair and consistent practices should be encouraged. The public service grievance procedure must be followed to create a platform to address employees concerns and problems.

- **Developing employer profile**

We should design, develop and implement promotional materials such as recruitment brochures and careers website to provide information about careers in the Eastern Cape Provincial Administration.

Develop careers that make a difference, that is toolkit to stress the advantages of working for the Eastern Cape Provincial Administration for both internal and external use and to address perceptions regarding careers in Eastern Cape Provincial Administration.

There is a necessity to establish and maintain contact with Universities to introduce mutually beneficial projects that may provide an applicant pool.

- **Link staff retention with an effective recruitment and selection process**

A lot of staff losses are caused by bad selection decisions, where the wrong person is appointed to the job. To prevent this, accurate job descriptions must be developed and clearly identify the core competencies required for successful performance during the recruitment and selection process.

In addition the traditional focus of looking at skills, knowledge and experience must be augmented by adding another dimension of “cultural fit” to our recruitment and selection criteria. Focusing on values and cultural fit will ensure that the persons that are recruited understand and subscribe to the way things are done, share the same values, norms and actually fit the organizational culture. This requires predefining the cultural and value requirements. Through the Leadership Assessment and Development centre engage in value audits, leadership profiling and assessment activities.

•**Job satisfaction**

Best practice studies show that the first few weeks of employment are important for establishing employee commitment to the job. It is essential that line managers and human resource practitioners lay the 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 that stretches from the employee’s first day at work until they have been thoroughly introduced to their job. A useful tool in this regard is to develop a ‘new employee guide’ that can be given to employees to read even before they start work to promote job satisfaction.

• **Growth and development opportunities**

Rather than sending new employees for long periods of training away from work, the public service should provide phased in training that allows employees to gradually

acquire the required knowledge and skills. This increases confidence in the work and also builds the employee's trust in the employer.

Management should make sure that employees are able to perform their current jobs, they should be provided with opportunities for development by acquiring competencies that can improve their ability to work in other areas or at other levels within the public service.

Where it is appropriate, developmental initiatives in respect of scarce skills should be accompanied by contracts binding employees to serve after completion of the relevant developmental activity.

• **Recognition and reward**

Reward for excellent performance can be through monetary and non monetary means. Ideally, rewards should be personalized and linked to individual performance and achievements.

Recognition of an individual employee outputs and good performance is much more valuable than a standard letter, addressed to all staff, once a year.

• **Exit interviews**

As already mentioned, knowing why employees leave is important to know the reasons for purposes of better offers in order to retain staff.

Exit interview is an important tool and contributes towards designing staff retention interventions. Keeping track of the number of people who leave and from where in the organization will help highlight matters that need urgent attention.

• **Compensation**

Although departments have little flexibility on how much employees are paid, however there are measures which the provincial administration can use to find and keep

employees with the necessary skills. In addition, scarce skills and high risk categories should be properly designed and evaluated to maximise compensation when it is necessary to retain skilled employees. Departments must fully and correctly utilise scarce skills allowances available for certain categories of staff in order to promote retention.

•Performance management

One of the most important management tools in the Public Service is the implementation of Performance Management and Development Systems. Departments must ensure that they comply with the Performance Management and Development Systems for both Senior Managers and levels below so that utmost care is taken to ensure fair, consistent and transparent application during employee appraisals. Processes for awarding pay progression and bonuses should be managed fairly to avoid unhappiness and grievances. Management capacity to deal with poor performers and staff development must be improved.

•Designing interventions for certain employees

In addition to the general interventions listed above, the following methods can be used for specific groups of employees:

Interventions for senior and middle management could include the introduction of mentorship and coaching programmes. Mentors and coaches play the role of career counsellors and sounding boards for managers. Development programmes for senior and middle managers should continuously re-focuses and renews management skills . These programmes should be owned by the most senior line executive and managed by the human resource component. Training should be provided on the key executive or senior management competencies that are required, and should focus on competencies required for specific managers.

Employee development in specialists field such as information technology, health, justice and engineering is imperative. This expertise and knowledge is obtained through formal education or experience over a long period of time, therefore these skills cannot be easily

transferred to the department or to other employees. These employees tend to build up their own networks that are usually lost when they leave.

Retaining knowledge workers is difficult because the driving factor that makes employees stay or leave are also complex.

•Disincentives

In addition to positive things that can be done to attract and keep employees, certain rules must be entrenched to make it difficult for employees to leave.

Employees who leave before completing twelve(12) months' service should forfeit service bonus. Should an employee resign before completing twelve(12) months' service, relocation costs that were paid such as expenses for transport, subsistence and storage of household goods may have to be recovered from them. An employee has to serve at least twelve (12) months in a rank before qualifying for assessment for pay progression.

9. Monitoring and evaluation

- Development of labour turnover data base with statistics that are easy to access and linked to other metrics is essential.
- Expansion of employee effectiveness survey to cover all relevant occupational groups.
- Utilisation of the employee effectiveness survey as a baseline measure to assess annual progress.
- Design an effective exit interview to ensure data is usable and can be linked to other metrics.
- Train managers to use focus groups to ‘keep a finger on the pulse’ of retention concerns. Design and implement short evaluation questionnaire to ensure strategy is being actively adhered to.
- Link these metrics to the performance management system.

10. Review of attraction and retention strategy.

The strategy will be reviewed on three yearly basis, taking into cognisance of the annual strategic interventions.

Annexure A: Roles and responsibilities

Table A : Metrics to ensure accountability

Function	Head of department	Human resources	Line manager	Human resources development
Management accountability	Attraction and retention of staff to form part of performance agreements			
Build and maintain a culture of trust within the department	Identify underlying reasons for perceptions of mistrust through individual interviews/focus groups. Disseminate results of survey so employees' views are taken seriously. Conduct workshops to obtain participation in fleshing out action plans based on survey.			
Institute a reward and recognition programme	Implement non financial rewards and show clear links between performance and promotion opportunities			
Provide expert advice on human resources matters		Identify employees or categories of employees who might leave and develop human resources plan. Analyse staff movement trends and identify high-risk employees or occupations for line managers.	Effectively manage staff, motivate employees and create an enabling environment for employees to perform. Provide training and support to employees.	
Develop strategic interventions for		Constantly analyse skills demand and supply trends	Understanding of employees preferences and what drives	Design targeted accelerated

retention		<p>in the labour market.</p> <p>Conduct skills audit within the department.</p> <p>Develop interventions to address critical skills shortages</p>	<p>and motivate them</p> <p>Implement diversity management and employment equity programmes.</p> <p>Implement staff attraction and retention strategy</p> <p>Manage performance effectively</p> <p>Encourage employee performance and empowerment through effective delegation</p>	development programme for talented employees.
Analyzing staff mobility and turnover trends		<p>Assessing staff morale.</p> <p>Conducting exit interviews.</p> <p>Interviewing candidates who turn down job offers.</p> <p>Keeping staff statistics.</p> <p>Conducting internal human resource audits.</p> <p>Benchmarking with other employers.</p> <p>Analysing information and looking for trends.</p>		
Monitoring and evaluation	Submit quarterly reports to the Director General on staff attraction and retention.			

Annexure B : Incentives

Item	Regulatory Framework	Solution
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1	Sections 3(5) and 7(3) of the Public Service Act, 1994	Gives heads of departments the responsibility of ensuring that human resources are managed effectively, departments can deploy and use employees in ways that will improve chances of keeping them.
2	Section 37(2) of the Public Service Act and the Public Service Regulations, 2001 (Chapter 1, part VIII F and G)	Allow for employees to be rewarded, either financially or in kind for good performance and valuable suggestions or improvements.
3	Public Service Regulations, 2001 (Chapter 1, part V C.3)	The salary and/or salary level for a post or an employee can be set at a higher notch or level than usual if necessary to recruit or retain an employee with the required skills.
4	Public Service Regulations, 2001 (Chapter 1, part VII C 2.5)	Makes provision for departments to deploy employees to other posts horizontally if this addresses their career development expectations.
5	Public Service Regulations, 2001 (Chapter 1, part IX)	Makes provision for departments to provide employees with ongoing access to training that should support their work performance and career development. Bursaries can also be granted to employees or prospective employees to improve their levels of education.
6	PSCBC Resolution 7 of 2000	Employees can be granted special leave for developmental purposes, such examination and sabbatical leave. This can be paid or un-paid leave depending on the department. Obviously, paid leave is an even greater incentive
7	PSCBC Resolution 3 of 1999	Makes provision for the once off relocation allowance, which can be determined by the employing department to be paid to recruits from abroad for their initial expenses incurred moving to South Africa.

Annexure C : Implementation framework

Problem statement	Solution	Action & time frame
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<p>Remuneration structure: Inability of the province to attract and retain professional staff/scarce skills.</p>	<p>Remuneration structure: Provide market-related packages and incentives (Rural and Scarce Skills allowances)</p>	<p>Remuneration structure: Evaluate post and remunerate accordingly (PSR part V c 6 & 7) Awarding of higher salary (PSR part V C3)</p>
<p>Service Delivery: Inability to deliver the require services.</p> <p>Non alignment of the bursary scheme to the scarce skills education or even rural area focus</p> <p>No enforcement to bursary holders to plough back to communities/province upon completion of their studies</p>	<p>Service Delivery: Aggressive marketing and advertising campaign.</p> <p>Alignment of bursary scheme to scarce skills education and focus to address rural areas challenges.</p> <p>Contractual obligation for bursary holders to serve the province/rural area for a specific period</p>	<p>Service Delivery: Review current provincial bursary scheme & identify gaps.</p> <p>Conduct joint career exhibitions , internship & learnership programs</p> <p>Provide continuing educational programs for professional staff</p> <p>Leverage donor funded scholarships through the twining arrangements with E/C Province.</p>
<p>Infrastructure Insufficient infrastructure (i.e. accommodation, roads, buildings, schooling, amenities, transport and childcare)</p>	<p>Infrastructure short term: Joint purchase of Park Homes/Timber Homes whilst permanent structures are underway.</p> <p>Upgrading of roads including access roads in rural areas.</p> <p>Focused approach to establish model schools and quality of education in rural areas</p>	<p>Infrastructure Establish multi departmental team to urgently identify funding and costing of projects.</p> <p>Institution and improvement of the tender processes.</p> <p>Progress monitoring by EXCO</p>
<p>Financial Constraints Insufficient funds for bursaries and implementation of retention strategy</p>	<p>Financial Constraints Increase budget allocation to meet needs.</p> <p>Review policy if necessary on transversal bursary scheme</p>	<p>Financial Constraints Jointly identify and prioritise scarce skills</p> <p>Set targets and indicators whilst aligning resources</p>

Uncoordinated approach in addressing the problem of scarce skills	Establishment of an effective interdepartmental task team to ensure integrated planning and implementation.	Identify and agree on the approach Scheduled workshops/marketing Consolidate initiatives
National shortage of qualified professionals	Educate professionals through bursaries & other available training Recruitment from outside the province. Attract and appoint local and foreign-qualified professionals	Identify and integrate the available resources. Identify priorities and align
Highest average age of professionals in the Province	Succession planning and mentoring Career-path management	Integrated succession plan to build up a young cadre of professionals