



VICTOR KHANYE

LOCAL MUNICIPALITY – PLAASLIKE MUNISIPALITEIT

DRAFT HUMAN RESOURCE STRATEGY

2013 -2015

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Human Resources Strategy 2013-2015

1. Introduction

Human Resource Strategy is a plan for maximising the effectiveness of the municipality's employees in supporting the VKLM Business Strategy (Vision 2030) as developed and approved Mid 2012.

The purpose of the strategic session was to reposition the Victor Khanye Local Municipality in order to maximise the efficiency, effectiveness and impact of the Municipal Council both within the municipality as well as the Mpumalanga Province.

The objectives of the strategic planning session were thus as follows:

- To develop a perspective of the imperatives driving the need for repositioning;
- To conduct an assessment of the current state and performance of the municipality;
- To develop a set of principles and operating framework that reflects the repositioning of the local municipality;
- To develop strategies to attain the proposed outcomes and indicators in the IDP and SDBIP; and
- To align the strategies to the perspective based on the Strategic Thrusts that will be used to monitor and evaluate the performance of the municipality on achieving the desired outcomes and indicators.

Accordingly, the session adopted a vision and mission statements:

Vision:

“A Prosperous Mpumalanga Western Gateway City for a cohesive Developed Community”

Mission:

- To provide quality and sustainable services to the diverse community in a responsive and efficient way for optimum economic growth in order to enhance prosperity
- Inspired by desire to be positioned on the global map of attractive cities resulting in a positive impact on investment, jobs, inhabitants, visitors and events through quality service provision

Following the definition and alignment of the Vision the Team aligned on re-affirming Vision 2030 as being the dream for Victor Khanye Local Municipality to become a City.

The following key themes were brainstormed to represent the key strategic thrusts to support and underpin the strategic framework to acquire City Status.

1. Service Delivery
2. Operational Efficiency
3. Accountability
4. Organisational Development
5. Land Tenure
6. Performance Management
7. Capacity Building
8. Customer Management System
9. Risk Management
10. Stakeholder Management

1.1 VKLM will deliver its Integrated Development Plan through the efforts, skills and capabilities that our employees contribute to the organisation. In order to be successful the Municipality has to develop its physical resources, financial resources and its human resources. The Human Resources Strategy is therefore central to the delivery of our strategic objectives and has been developed to facilitate Victor Khanye Local Municipality's Integrated Development Plan 2011-2015 and core service delivery strategies.

1.2 The strategic human resource implications identified in the Integrated Development Plan are to be:

- Innovative in the development and delivery of all areas of our activity
- Externally focused on our markets and customers
- Commercially smart and growth driven
- Flexible and integrated products and services
- Equipped with responsive and efficient organisational structures

The Human Resources Strategy sets out how our human resources will be developed to meet these strategic human resource issues.

1.3 The Integrated Development Plan is predicated on the need to secure our position as a uniquely distinctive Municipality within the South African municipality system and to achieve financial sustainability. This requires a strategic approach to organisational

development, a clear integration between strategic goals and staff values, beliefs and behaviours and strategic interventions focused clearly on the leadership and management of change.

1.4 The Municipality recognises its financial position and creating the capacity to invest in the delivery of this Strategy is challenging. Leaders and managers also face challenges in balancing delivery of operational plans with the implementation of this Strategy. Resourcing the HR Strategy is an investment in our organisational capability which will contribute directly to the delivery of our strategic objectives.

Human Resource Strategy

2.1. This HR Strategy is a single human resourcing strategy applying to the whole organisation. It supports a general approach to the strategic management of human resources which is concerned with longer term people issues and macro concerns about structure, quality, culture, values, commitment and matching resource to future needs. It sets out the general direction the Municipality will follow to secure and develop its human resources to deliver a sustainable and successful Municipality.

2.2. The Integrated Development Plan is based on a differentiation strategy i.e. we do not aim to compete on the lowest cost or restrict our activity to a particular market segment. In order to deliver this strategy and address the strategic human resource management implications of the Integrated Development Plan outlined above, VKLM needs to adopt an approach which seeks to gain competitive advantage through the strategic development of a highly committed and capable workforce. The type of human resource management principles this requires are:

- Human Resource issues becoming the concern of all managers
- Human Resource issues becoming central to all strategic level decision making in the organisation
- The development of a culture that encourages all members of staff to be highly committed to the organisation and its continuous improvement
- The development of a culture of high trust, team working and willing cooperation making close supervision unnecessary with a consequential flattening of structural hierarchies

- A focus on the personal development of staff involving them in continually developing their skills to achieve both personal growth and task flexibility

3. Organisational Development and Management of Change

3.1 VKLM is an organisation which is vulnerable to changes in the external environment where changes in political thinking, funding policy, workforce planning policy in key external markets e.g. the nation wide undertaking on improvement of roads and infrastructure, plus the provision of housing impact on our capability to sustain our strategic plan objectives. The Municipality's Integrated Development Plan is predicated on growth which needs to be achieved without an exponential growth in staffing levels. VKLM will continue however to be a small to medium municipality measured against generally accepted size norms with continuing pressures in relation to economies of scale. Effective resource planning is a strategic objective.

3.2 The need to maximise the potential provided by the new organisational strategy and Municipality vision requires VKLM to maintain and increase the pace of change. Managing organisational change will require the following interventions:

- ***Putting people at the top of the agenda*** - planning for enhanced staff performance must be a key element of the Human Resource Strategy
- ***Support for line managers*** - line managers play a pivotal role in winning hearts and minds. There needs to be a clear commitment from the top of the organisation to engage and equip line managers- helping them to ensure their staff are committed to the change programme
- ***Communication with staff*** - communication with staff can be spontaneous. Communication has to be meaningful as it is through 'conversations' with staff that something new is created and change is achieved.

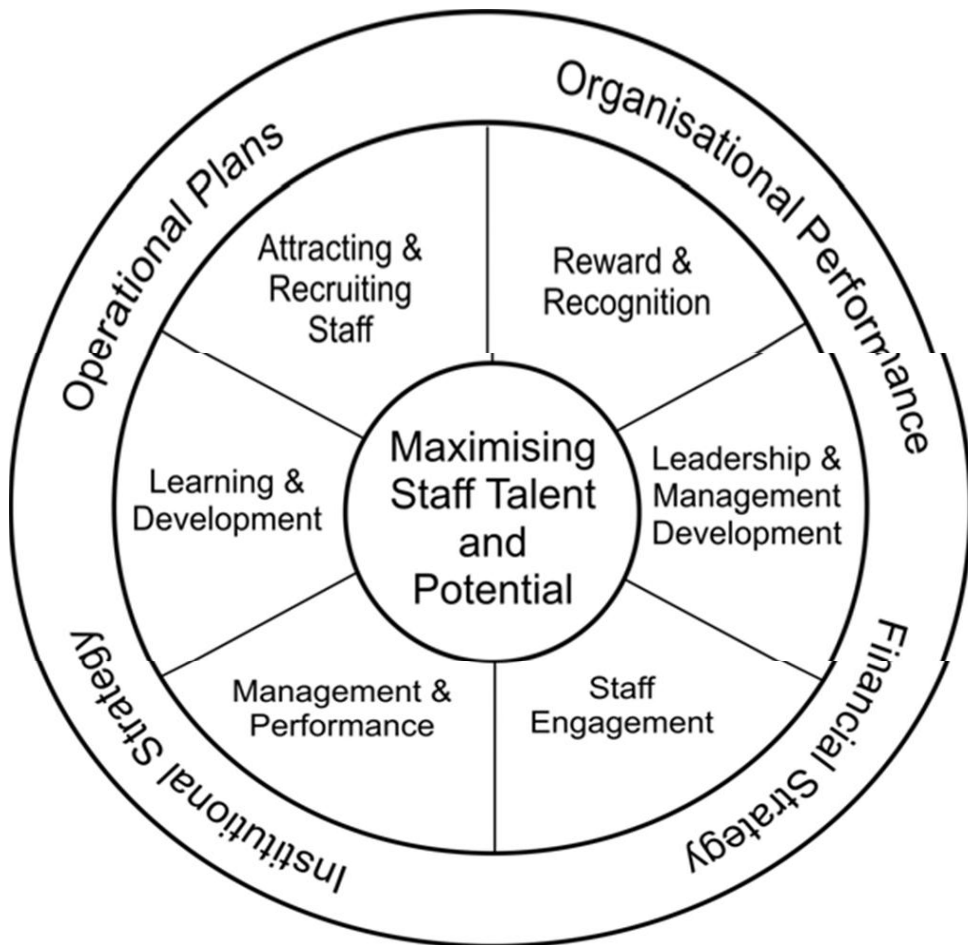
3.3 The Integrated Development Plan recognises that in order to maximise the opportunities provided by Municipality vision and the new mission, transformational change is required. Leadership and management are fundamental to effecting cultural change, developing the organisation and enhancing performance.

4. Strategic Themes

- 4.1. The HR Strategy sets out how the Municipality will address six strategic themes. Strategic objectives have been identified for each theme and will be delivered through a number of supporting strategies some of which have been developed and others which will be developed and formalised in accordance with an agreed plan. The strategic themes are:

Attracting & Recruiting	Reward & Recognition
Learning and Development	Leadership & Management Development
Management of Performance	Staff Engagement

- 4.2. The HR Strategy has at its core maximising the potential talent of our staff. Each of these strategic themes are interlinked and are the strategic objectives for each of these themes facilitates the delivery of the Integrated Development Plan, the Financial Strategy, enhanced organisational performance and Operational Plans. This is illustrated as follows:



5. Human Resources Strategy

5.1. In order to maximise the potential of our staff, the HR Strategy needs to address through its supporting strategies and policies all the components of the 'talent pipeline' as follows:



5.2 An underpinning strategic objective is the development and implementation of a skills/competency framework that will support the Strategy's aims and objectives and ensure an integrated approach to all aspects of human resource management.

The framework, based on VKLM values and desired culture, will describe the behaviours and skills that reflect our desired organisation and workforce. This tool will provide managers and staff with a common language to address all aspects of the human resource management framework including role design, learning and development needs, job evaluation, performance gaps and career progression.

5.3 Employment Equity Policy is not identified as a specific strategic objective of the HR Strategy. The Municipality will develop a separate policy on Employment Equity. The Municipality's Employment Equity Policy will aim to mainstream and embed equality and diversity into all our functions. The HR Strategy already geared to support and facilitates the aims and objectives of the Equality and Diversity Strategy.

6. Strategic Objectives

6.1 In the following sections the Municipality address each of the strategic themes setting out the link to the Integrated Development Plan, the challenges in addressing each of the themes and the strategic objectives. The strategic objectives will be delivered through supporting strategies and policies some of which have been developed and others that will be developed and formalised in accordance with an agreed plan. The Strategy must be supported by the HR Operational Plan.

7. Attracting and Recruiting

7.1 The Municipality has ambitious strategies which will require us to attract and retain high quality staff to support all of our activities. Some principles of the HR strategy, influence a need to attract the best staff and to ensure that their expertise, talent and contribution are maximised, whereas others recognises that the Municipality will need to look to recruit internally in support of our strategic objectives.

7.2 The Municipality has identified the need to have a particular type of organisation and workforce in order to deliver the Integrated Development Plan. Given our unique organisational profile the challenges in attracting and developing the staffing profile we require, are

- ⌚ Understanding the talent and potential within our current staff
- ⌚ Understanding the profile of what to look for when trying to recruit and select 'high flyers'

- ⌚ Expanding our recruitment base including developing structured training programmes to support 'growing our own talent'
- ⌚ Developing excellent career progression opportunities as a means of attracting and retaining key staff
- ⌚ Developing appropriate strategies for the development of high potential individuals e.g. the identification of talent pools
- ⌚ Using succession planning to identify future potential leaders for key positions and develop them accordingly
- ⌚ Ensuring equality and diversity is embedded in all stages of the talent management process

7.3 The Municipality recognises that it is competing in local, provincial, national and in some instances international recruitment markets. In order to lever competitive advantage we need to understand and positively promote the benefits of working for a small to medium Municipality.

7.4 The Municipality has the potential to exploit its size in developing the policies and processes that supports the development of talent for roles not jobs. This is particularly relevant in our support functions where we need to put in place the structures that supports the development of talented administrators able to work across structural boundaries.

7.5 The competition for high quality middle and senior skills is likely to increase as the SALGA's initiative on "Professionalization of Local Government" focus on communication, coaching and leadership skills as well as professional and technical skills. A strategic objective is to develop succession planning policies that identify and develop staff to fill these roles. This needs to be linked to our leadership and management and career progression policies.

In support of the development and retention of key staff, the Municipality needs to consider the identification of talent pools e.g. the professional and technical staff and develop tailored development polices to support that particular group.

7.6 An increasingly diverse workforce with independent views about their lifestyles, requires well developed polices on work life balance. The Flexible Working Strategy provides the opportunity to balance operational and individual requirements, enhance corporate performance through e.g. reduced absenteeism rates and increase staff motivation and job

satisfaction. The leadership and management challenges of a flexible working environment are also recognised (see section 10).

7.7 The Municipality will address attracting and recruiting of staff (in line with the VKLM Employment Practice) through the following strategic objectives:

- 🕒 Developing greater understanding of our labour markets and how we can widen the potential pool of applicants
- 🕒 Aligning our recruitment and selection processes with Municipality strategies and Departmental plans.
- 🕒 Changing our resourcing policies to recruiting flexible pools of staff e.g. managerial staff who understands that Human Resources is part and parcel of every departmental portfolio model, breaking down traditional discipline silos
- 🕒 While recognising some jobs will always require specialists, identifying and developing groups of jobs to enable potential successors to be identified for a variety of roles e.g. developing talented administrators, each of whom is adaptable and capable of filling a number of roles
- 🕒 Developing longer term work force planning models that inform recruitment and employment plans
- 🕒 The development of strategies and policies to promote the Municipality as an employer of choice
- 🕒 Develop role and career progression policies that support flexible staff deployment
- 🕒 Develop our Health & Wellbeing and Flexible Working strategies in support of a positive working environment
- 🕒 Develop succession planning policies and talent pools where appropriate

8. Reward and Recognition

8.1 SALGA has developed a pay and grading system that applies to all municipalities based on the application of Institution wide job evaluation in support of equal pay for work of equal value. This provides a solid foundation for the development of new reward, recognition and progression policies. The challenge however, is the delay in implantation of the system and the court battles between the organised labour and SALGA.

8.2 The elements within the job evaluation system provides the basis for the development of our skills and competency framework (see section 5). This will ensure an integrated

approach to role design, recruitment, development and career progression. Embedding this framework in activity planning and all aspects of the management of performance will ensure that reward and recognition is linked to the delivery of Departmental plans.

8.3 Ensuring transparency, fairness and equality of opportunity across the Institution in the application of reward and recognition policies requires the development of our leadership and management capability, mainstreaming our Equality and Diversity Strategy within reward and progression processes and regular audit through equal pay reviews.

8.4 The Municipality recognises that its pay costs are our most significant expenditure with the need to ensure they are robustly controlled. As part of the implementation of new pay and grading structures, the Municipality has committed to the implementation of contribution related pay. Our pay progression processes, must be closely aligned with activity planning and Departmental Plans.

The Municipality has key strategic objectives to achieve in relation to income growth. Our salary policies need to incentivise and reward staff to deliver on these objectives.

8.5 Through its contribution related pay policies, the Municipality will have the structures to reward individual contribution. It is also recognised that there is the potential to consider the development of reward for teams. This will be explored with managers and staff as part of the implementation of the Reward Strategy.

8.6 The Municipality recognises that it is unlikely to be able to compete in the market on the basis of an upper limits salary policy (Task grading). Nonetheless the Municipality has committed to a system as adopted by the SALGBC. In adopting this approach the Municipality is acknowledging the importance of non –financial reward elements such as recognition, opportunity, achievement and work life balance. Investing in this upper limits strategy will be a challenge for the Municipality, particularly in providing the opportunities that will support attracting and retaining staff.

8.7 The Municipality will develop all aspects of the strategy and will develop:

- ⌚ Recognition and reward policies that focus on elements other than pay e.g. project work and secondments.
- ⌚ Flexible reward policies which provide, where appropriate the ability to reward team and individual contribution

- ⌚ Contribution related pay policies that are aligned with strategic and operational objectives
- ⌚ Performance management policies that support managers in distinguishing different levels of individual staff contribution
- ⌚ A strategy that promotes the benefits of working at VKLM, maximising the opportunities of working within a small to medium sized municipality
- ⌚ Appropriate equal pay for work of equal value action plans in support of legislation and the Equality and Diversity Strategy

8.8 A number of strategies and policies including commitments made as part of the implementation of modernised pay and grading arrangements, recognise the need to structure and make explicit career progression paths for a wide range of staff. A strategic objective is to develop those policies and structures ensuring they are integrated with reward, performance management and equal pay policies. Integration with our service delivery strategies including our professional and personal development provisions is key.

9. Management of Performance

9.1 The Integrated Development Plan recognises that the National Funding methodology does not of itself offer the Municipality the means of growth and development. The Strategy includes therefore projects and initiatives to increase significantly the income the Municipality earns from other sources. The Municipality recognises that the management of performance at organisational, business unit and individual level is key to the delivery of our growth plans.

9.2 Fully realised, performance management is a holistic process which brings together many of the elements that go to make up the talent management pipeline. The management of performance in the Municipality needs therefore to be strategic and integrated with all other elements of the HR Strategy and Departmental operational plans. The Municipality will develop its human resource information systems to support efficient performance management tools which are appropriate to the scale of the Municipality's operations.

9.3 The effective management of performance will be delivered through all of the Strategy's strategic themes. The aim of the HR Strategy is to develop leaders and managers to manage performance in such a way that staff

- ⌚ Know and understand what is expected of them
- ⌚ Have the skills to deliver what is expected of them

- ⌚ Are given feedback on their performance
- ⌚ Have the opportunity to engage with the development of individual. Departmental and Municipality wide objectives.

9.4 The Municipality agrees individual objectives and personal development plans with staff through activity planning. The Municipality recognises that it needs to develop a much broader range of performance management tools including performance and development reviews, enhanced learning and development provision, skills and competency framework and contribution related pay. Leaders and managers will be developed in all aspects of performance management including performance problem solving.

9.5 The Municipality recognises that it is a 'knowledge intensive' organisation competing largely on the basis of the various forms of knowledge held by our staff. In such an organisation, collaborative activity is strategically important and the Integrated Development Plan, in particular is predicated on highly effective internal and external collaborative working. For staff engaged in significant collaborative activity, the Municipality's approach to performance management needs to recognise and respond to:

- ⌚ The potential tension between loyalty to the Municipality, professional bodies and collaborative partners
- ⌚ The need to develop individual knowledge and skills; and
- ⌚ The need to share that knowledge within and outside the Municipality

The sharing of knowledge and expertise and highly effective team working is recognised as a significant enabler of the implementation of the Integrated Development Plan. In an institution where the economies of scale will continue to be challenging, excellent knowledge sharing processes will support the Municipality in maximising staff expertise in support of the delivery of strategic objectives.

10. Leadership and Management Development

10.1 Leadership and management is fundamental to the delivery of aspects of the Integrated Development Plan. The aim of the HR Strategy is to develop high quality leadership at all levels of the organisation. Succession Planning policies are also likely to focus on identifying

and developing leaders for middle and senior management roles. It is important therefore that career progression and succession planning policies are appropriately aligned.

10.3 The development of leadership and management capability and the appropriate leadership and management style is linked to other key strategic objectives e.g. the re-engineering of business processes. As the Municipality maximizes the use of technology and improves its business processes the need for managers to manage processes will reduce. This will enable managers to focus on communication, employee engagement and the coaching and development of staff. This has implications for the profile of our leaders and our leadership and management development provision.

10.4 The Municipality recognises that change will be significantly enabled through the effective leadership and management of people. The Municipality provides leadership and management developments opportunities, however recognises the need to take a strategic approach to the development of leadership capability at all levels in the Municipality. Through aligned succession planning and career planning policies the Municipality needs to identify leadership potential and put in place the appropriate development.

10.5 The Municipality recognises that having achieved a clean audit report twice in succession and successfully reviewing its 2011 – 2015 IDP , the leadership challenges for the Strategic Management in delivering the 2011-2015 Integrated Development Plan will change. The strategic management will put in place the appropriate development to address how they need to work collectively to address future leadership challenges.

10.6 At all levels in the Municipality leaders need to focus on the management of performance. As home based working and other forms of flexible working increase leaders will have to focus on measuring performance outputs. The leadership challenges of this environment are recognised and managers will be supported with the appropriate development to help them do this and to grow potential talent within their staff.

10.7 Our strategic leadership and management development objectives are:

- ⌚ To develop leaders and managers in accordance with VKLM values and desired leadership behaviours
- ⌚ To define the role of leaders and to measure performance accordingly
- ⌚ To equip leaders to lead and manage change

- ⌚ With leadership from the Strategic Management team, recognise the pivotal role of managers in the change process and provide appropriate support
- ⌚ To understand how professional and leadership development requirements need to be integrated and develop appropriate policies and support
- ⌚ Identify leadership potential and put in place the appropriate succession planning policies

11. Learning and Development

11.1 The Integrated Development Plan recognises the requirement for a well motivated and highly skilled staffing complement. The Municipality has a wide range of learning and development needs, which are identified through activity planning and Departmental plans. The Municipality's Organisational Development Plan supports the implementation of strategic organisational requirements including leadership and management development (see section 10).

11.2 The Integrated Development Plan is predicated on growth enabled through strategies such as staff centred learning, technical and continuous professional development. It is important that all staff understand these strategies and are empowered to take responsibility for their learning and development.

11.3 The Integrated Development Plan and other Municipality strategies recognise the requirement to have a workforce that is proactively engaged in life long learning. To embed this will require the culture of the Municipality to change with staff at all levels of the organisation recognising that learning and continually updating skills is integral to their role. Promoting life long learning is a key strategic objective.

11.4 The need for innovation and a community focus approach to all areas of our activity is identified in the Integrated Development Plan. There is limited learning and development provision for entrepreneurial and creative thinking skills development. It is a strategic objective of the Municipality to introduce entrepreneurial and creative thinking skills as part of its learning and development provision.

11.5 A number of Municipality strategies recognise the importance of mentoring in engaging staff in enhancing professional and personal skills. The Municipality will support this through the development of mentoring skills and schemes where appropriate seeking to develop external networks and provision again where appropriate.

11.6 Ensuring equality of provision in relation to learning and development is recognised. An increasingly flexible workforce provides further challenges in meeting learning and development needs. The Municipality recognises the need to regularly review its learning and development policies in support of the Equality and Diversity Strategy.

11.7 The Municipality will also seek to develop the use of on line learning as a means of delivering learning and development in a flexible working environment and as a cost effective and 'just in time' method of meeting a number of learning and development needs.

11.8 The strategic learning and development objectives are:

- ⌚ The ongoing development of activity planning and performance management policies
- ⌚ To continue to embed learning and development planning in the strategic planning process
- ⌚ To develop a culture of continuous learning led by leaders and supported by reward and career progression policies
- ⌚ To support the development of entrepreneurial and creative thinking skills
- ⌚ To develop on line learning in support of flexible working and efficient use of learning and development resources
- ⌚ Measure the effectiveness of our learning and development provision through staff engagement policies (see section 12)
- ⌚ Develop leaders and managers to coach and develop their staff, using this as a performance measure of high quality leadership
- ⌚ Monitor and set appropriate HR metrics for organisational expenditure on learning and development

11.9 The Municipality recognises the need to understand and report on expenditure on learning and development as a key HR metric. As part of the development of the Learning & Development Strategy the Municipality may wish to set performance measures for expenditure on learning and development as well as measuring the effectiveness of its learning and development provision.

12. Staff Engagement

12.1 The need to change the culture of the Municipality, engage staff with our strategic objectives and to have their committed support is recognised as key to the delivery of our

strategic objectives. The challenges with staff communication and engagement are well understood as is the recognition that our leadership and management capability is core to achieving staff engagement. The Human Resource Strategy and the Marketing & Communications Strategy have a role to play in this change process.

12.2 The communication and engagement challenges will increase as the Municipality develops a wider range of flexible working arrangements. A number of our ad hoc communication and engagement practices will need to become more formalised. There is also a need to be innovative in developing new engagement opportunities as well as utilising technology to help us with that process. The Municipality recognises the need to measure the level of understanding and engagement in our strategic objectives as well as measure the performance of the organisation in inter alia achieving culture change, the quality of our leadership and management, engagement with lifelong learning and the quality of our working environment.

It is a strategic objective that the Municipality puts in place regular staff surveys that provides a measure of performance and enables the organisation to develop strategic interventions in support of the management of change.

12.4 The strategic staff engagement objectives are:

- ⌚ Define the role of the leader in communication and staff engagement and measure performance accordingly
- ⌚ Develop new approaches to consultation and partnership working that are flexible and responsive to the size and needs of the Municipality
- ⌚ Promote effective team working as a means of supporting staff engagement in a wider range of Municipality activities.
- ⌚ Develop and put in place regular staff surveys to measure progress and inform organisational development plans

13 . Measuring Performance

13.1 The Municipality is committed to measuring the performance of its human resource management framework and benchmarking that performance with the rest of the Municipality sector and other sectors as appropriate. A suite of HR metrics will be agreed with the Strategic Management team for this purpose with reporting to through the strategic planning process. The Policy and Development Committee will also support the process of

reviewing progress with the implementation of the HR Strategy providing advice and guidance in that process.

13.2 The effectiveness of the Human Resource Strategy will be measured against the achievement of strategic plan objectives. As Institutional performance measures are developed, they will be linked to reporting on the Human Resources Strategy.

14. Investment and Income and Risk Analysis

14.1 The implementation of the HR Strategy is significantly dependent on its human resource management information systems. The Municipality needs to continue to develop its capacity and capability to deliver the management information required to inform strategic planning, the management of performance and to maximise efficiencies through electronic business processing.

14.2. The Municipality resources its learning and development provision, primarily although not exclusively through a central learning and development budget with the core learning and development provision developed in response to strategic and operational plan objectives. Any expenditure on leadership and management development is met from this core funding.

The delivery of all elements of the Human Resource Strategy will require investment learning and development and leadership and management development. Delivering planned income growth, is directly linked to the Municipality's ability to enhance its learning and development and leadership and management development provision.

14.3. The implementation of a Task Grading will require the Municipality to create the capacity to invest in a wider range of opportunities for staff including secondments, project work and sabbaticals. The Municipality will also be competing for staff in a sector which provides individual institutions with the potential to make varying strategic pay policy provisions. The Municipality will need to monitor its competitiveness and invest particularly in the career progression structures that will provide a competitive advantage in the recruitment and retention of staff.

15. Summary

15.1 In the introduction to the Strategy, it was stated that VKLM would deliver its Integrated Development Plan through the efforts, skills and capabilities that our people contribute to the organisation. Investment in the delivery of the HR Strategy will drive the changes in culture, behaviours, skills and performance that will deliver the type of organisation we need to be and the workforce we need to have. As a community service delivery based organisation, investment in our human capital will directly contribute to our growth objectives.

15.2 The ability to invest at appropriate levels in the implementation of the Human Resources Strategy is linked to achieving the Municipality's income growth targets and creating the capacity for investment. Failure to deliver that investment capacity will inhibit the Municipality's ability to support delivering the changes in culture, skills, competencies and behaviours needed to achieve its strategic growth objectives.