

# *Blouberg Municipality*



## CHAPTER 17: REMUNERATION POLICY

### ANNEXURE A: REMUNERATION STRATEGY

#### REMUNERATION POLICY

##### 1. PREAMBLE

The Blouberg Local Municipality is committed to ensuring that equitable remuneration is paid to all the staff members to advance the strategic objective of attracting, recruiting, motivating, and retaining the best and most suitable staff members. While maintaining fiscal responsibility, the Municipality is committed to remunerating staff in a manner that is fair, consistent, reflecting external market, and providing recognition for attaining individual goals, the Municipality objectives, and professional competency.

##### 2. PURPOSE

The purpose of this policy is to set out standard framework for determining remuneration levels, allowances and service benefits within the Municipality. In addition, the ultimate goal is to achieve internal pay equity, external pay equity, increased performance and productivity, compliance with legislation, administrative efficiency, and to attract, recruit, motivate and retain staff members.

##### 3. SCOPE OF APPLICATION

This policy applies to all managers and staff members of the Municipality

##### 4. LEGISLATIVE AND POLICY FRAMEWORK

- Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996)
- Municipal Systems Act, 2000 (Act No. 32 of 2000)
- Municipal Structures Act, 1998 (Act No. 117 of 1998)
- Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- Labour Relations Act, 1995 (Act No. 66 of 1995)
- Employment Equity, 1998 (Act No. 55 of 1998)
- Skills Development Act, (Act No. 97 of 1998)
- Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)
- Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)

- Minimum Wage Act, 2018 (Act No. 9 of 2018)
- South African Local Government Bargaining Council: Collective Agreements

## **5. DEFINITIONS**

All terminology used in this policy shall bear the same meaning as in the Regulations or applicable legislation, or as defined and / or explained in the Glossary of Terminology in the Human Resources Policies Manual.

## **6. PROBLEM STATEMENT**

Inconsistency in salaries and allowances to municipal staff results in demoralising employees and results in low productivity.

## **7. POLICY PROVISIONS**

### **7.1 Guiding principles of the remuneration policy**

- 7.1.1** Remuneration policy shall be utilised to inform the remuneration strategy as part of integrated human resource management.
- 7.1.2** Remuneration shall support systems and procedures that ensure fair, efficient, effective and transparent human resources management and administration.
- 7.1.3** Remuneration policy shall advance the strategic objective of attracting, recruiting, motivating, and retaining the best and most suitable staff members, as well as staff members in the occupational categories classified as scarce skills.

### **7.2 Remuneration scope**

The scope of remuneration within the Municipality covers all the rewards earned by staff members in return for their labour, personal career achievements, and work-related expenses. These are categorised as follows:

### **7.3 Remuneration of senior managers**

#### **7.3.1 Determining remuneration of senior managers**

In determining remuneration packages of senior managers, the Municipal Council shall consider the following:

- (a)** Determine performance contract in line with the performance management policy;
- (b)** Determine the impact of the position towards Municipal objectives;

- (c) Ensure there is external pay equity (*through salary surveys*) on remuneration paid to similar positions in similarly graded municipalities;
- (d) Determine the minimum, median and maximum salary packages (salary notches) expressed as total cost to employer;
- (e) Identify the factors that may justify the employment of a senior manager on any of the proposed salary notches of the total salary package;
- (f) Ensure the salary packages conform to the upper limits of salaries of senior managers determined by the Minister; and
- (g) Publish in the media the salary scales and benefits applicable to posts of the Municipal Manager and every senior manager.

#### **7.3.2 Remuneration on a Total Cost of Employment basis**

Remuneration of senior managers shall be set out as follows:

- (a) Non-flexible portion not exceeding seventy percent (70%), being the net amount after subtracting employer's portion of pension fund and medical aid contributions.
- (b) Flexible portion of a minimum of thirty percent (30%), covering staff member's portion of pension fund and medical aid contributions, and motor vehicle / travel allowance. In addition:
  - (i) All senior managers shall contribute to their chosen *Retirement Fund*, and are obliged to submit proof of membership annually.
  - (ii) All senior managers shall join and become members of their chosen *Medical Aid Scheme* and be subjected to the rules of the Scheme and are obliged to submit proof of membership annually.
- (c) Performance bonus, paid in terms of the Performance Management Policy, and after an annual performance appraisal that produced the rating score that falls within the categories earmarked for rewarding through performance bonus in that financial year.

#### **7.4 Remuneration of staff members below level of senior managers**

Remunerated items for staff members below the rank of senior manager shall be as per the applicable negotiated salary and wage agreement entered in the South African Local Government Bargaining Council (SALGBC).

#### **7.5 Remuneration tied to nature of work or essential tools of the trade**

**7.5.1** Essential tools are tied to the performance of the job in terms of the job description, the physical and psychological nature of work outlined in the job description and / or performance plan, as well as dictated upon by work processes and procedures.

**7.5.2** Unless otherwise regulated by a collective agreement entered in the SALGBC, the Municipality shall ensure that accessing or receiving these forms of remuneration or tools shall not be subjected to separate or additional application or approval processes as the appointment in the respective positions entitle incumbents to the tools.

**7.5.3** Essential tools shall cover, but not limited to, the following:

- (a)** Acquisition and /or maintenance of work tools such as computers and / or computing equipment, not limited to but including laptops / notebooks, tablets, and so on, as would be determined by the Municipal Council from time to time.
- (b)** Mobile phone, data and airtime package on contract only, offered to senior managers and other staff members as expected by their job descriptions. The limits shall be the discretion of the relevant head of department, on a case-by-case basis.
- (c)** Car or travel allowance, in terms of the applicable transport and travel policy.

#### **7.6 Remuneration classified under staff member recognition and allowances**

Allowances shall be paid according to the applicable negotiated agreement entered in the South African Local Government Bargaining Council (SALGBC).

#### **7.7 Remuneration based on professional development**

**7.7.1** Unless otherwise regulated by a collective agreement entered in the SALGBC, the Municipality shall reimburse a staff member for tuition and / or registration fees paid to a recognised tertiary or professional training institution or association for successful completion, or achievement of a professional or technical qualification, and / or accreditation.

**7.7.2** Reimbursement of tuition fees applies in cases where a staff member did not utilise the Municipality's internal bursary or any other form of skills development assistance for the same qualification or training.

#### **7.8 Remuneration based on advances and reimbursable expenses**

The Municipality shall remunerate staff members for expenses incurred in carrying out their duties in their official capacity, as per the applicable advances and reimbursable expenses policy.

#### **7.9 Remuneration based on burial or funeral scheme**

The Municipality shall make 100% premium contributions towards a chosen funeral / burial group scheme for all staff members. The conditions for utilising this benefit shall be as per the rules of the scheme, and the applicable burial / funeral policy.

#### **7.10 Staff loans and salary advances**

The Municipality shall not, under any circumstances, offer loans or salary advances to staff members.

#### **7.12 Roles and responsibilities**

**7.10.1** The Municipal Manager or his / her delegated assignee(s) accept overall responsibility for the implementation and monitoring of the policy. In the week before a staff member's salary pay day, the Municipal Manager or his or her delegate shall provide a staff member with the following information in writing –

- (a) the Municipality's name and address;
- (b) the staff member's name;
- (c) the staff member's job title and occupational category in terms of the systems of occupational stream and remuneration;
- (d) the staff member's salary notch;
- (e) any other form of compensation that the Municipality pays directly to the staff member monthly;
- (f) the period for which payment is made;
- (g) the amount and purpose of any deductions; and
- (h) the actual amount paid to the staff member.

**7.10.2** The financial implications related to implementing this policy shall be qualified and quantified by human resource management in consultation with the Chief Financial Officer.

**7.10.3** In dealing with remuneration related information, a staff member of the Municipality working with such information shall respect the staff member's right to privacy.

### **8. POLICY MONITORING AND EVALUATION**

**8.1** This policy shall be implemented and effective once recommended by the Local Labour Forum and approved by Council.



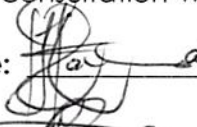
8.2 Non-compliance to the stipulations contained in this policy shall be regarded as breach of Code of Conduct, which shall be dealt with in terms of the Code of Conduct.

8.3 Head of Corporate Services shall carry out the monitoring and evaluation of the policy's implementation.

## 9. POLICY APPROVAL

This policy was formulated by HR Management in consultation with the Local Labour Forum.

**Authorised by Municipal Manager:**

Signature:  Date: 30/07/2024

**Recommended by Portfolio Committee  
on Corporate Services:**

Signature:  Date: 30/07/2024

**Approved by Municipal Council:**

Signature:  Date: 30/07/2024

## ANNEXURE A: REMUNERATION STRATEGY

# *Blouberg Municipality*



## REMUNERATION STRATEGY

### **1. REMUNERATION AND REMUNERATION STRATEGY DEFINED**

#### **1.1. Remuneration**

Remuneration is defined as all the rewards earned by staff members in return for their labour. This includes the following:

- 1.1.1 Direct financial remuneration, consisting of pay received in the form of wages, salaries, bonuses and overtime pay provided at regular and consistent intervals.
- 1.1.2 Indirect financial remuneration, including all financial rewards that are not included in direct remuneration and understood to form part of the social contract between the Municipality as employer and staff members, such as benefits, leaves, retirement or pension plans, education, and staff member services.
- 1.1.3 Non-financial remuneration, referring to topics such as career development and advancement opportunities, opportunities for recognition, as well as work environment (ergonomics) and conditions.

#### **1.2. Remuneration strategy**

Remuneration strategy is a sub-strategy of the Human Resources Management (HRM) strategy of the Municipality, and it defines the position of the Municipality on the labour market, the basic remuneration components used in the Municipality and the standard rules applied to each remuneration component.

### **2. LEGAL COMPLIANCE**

#### **2.1. Undertaking**

- 2.1.1 The Municipality hereby undertakes, when remunerating staff members, to adhere to the existing legislation in the areas of labour law, pay equity, human rights, unemployment insurance, pension and retirement benefits, labour relations and occupational health and safety.



**2.1.2** In ensuring this, the Municipality shall regularly review legislation, consult with legal and human resource professionals, and benchmark on the Regulations and Guidelines issued by the Minister of Cooperative Governance, and on the main and divisional collective agreements entered by parties to the SALGBC (South African Local Government Bargaining Council).

## **2.2. Statutory Obligations – the Minimum Wage**

**2.2.1** The Basic Conditions of Employment Act, 1997, sets out the minimum terms and conditions of employment. The Minimum Wage Act, 2018, sets out frameworks for determining the minimum wage for each sector. The SALGBC determines the minimum wage for local government, to guarantee the minimum level of income for unskilled staff members.

**2.2.2** The Municipality agrees firmly with this standard as it is designed to stop staff members from trying to undercut each other by agreeing to work for less than someone else.

## **2.3. Statutory Benefits**

Statutory benefits are fixed, authorised, or even established by statute or law. The benefits packages that are offered by the Municipality are designed to enhance the well-being of the staff members and shall contain both statutory and discretionary benefits. The main statutory benefits paid by the Municipality are:

**2.3.1** Unemployment Insurance benefit that provides temporary financial assistance for unemployed persons while they look for work or upgrade their skills; and

**2.3.2** Pension benefit for all eligible staff members on their maximum pensionable earnings, based on a rate table or guide provided by the SALGBC in consultation with the applicable pension fund. A percentage, to be determined through a SALGBC collective agreement, shall be deducted from the staff members' pay and a portion is remitted by the Municipality.

## **3. REMUNERATION AND REWARDS PROGRAMME**

### **3.1. Remuneration Philosophy of the Municipality**

While maintaining fiscal responsibility, the Municipality is committed to remunerating staff in a manner that is fair, consistent, reflective of the external market, and providing recognition for the achievement of individual goals, Municipal objectives, and professional competency. The goal is, specifically, to achieve the following objectives:

- Internal equity
- External equity
- Increased performance and productivity
- Compliance with laws and regulations
- Administrative efficiency; and
- Attract, retain and motivate staff members

### **3.2. Equity**

**3.2.1** Using equity or fairness is a key component to creating a successful remuneration and rewards programme. Equity refers to the following:

- (a)** Internal equity, being fair remuneration with respect to how different positions within the Municipality relate to each other on the basis of their value to the Municipality. Internal job to job comparison is based on job analysis, job descriptions, and job evaluation or classification.
- (b)** External equity, being fair and competitive remuneration with respect to the market value of a job. In other words, it is the average level at which the Municipality pays relative to the outside labour market. This is determined largely through salary surveys, and the Municipality's pay policy decision relative to the market.
- (c)** Staff member equity, being fairness in remuneration among staff members in the same job, or whose positions are classified in the same job grade or level. This does not mean that all staff members are paid the same, it means that they are paid fairly in relation to other staff in the same role. Differences in salary may only be based on job-required education, or relevant measurable experience, years of service in the job, starting salary, or responsibility level.
- (d)** Pay equity, being the commitment that women and men shall receive equal pay when they are doing substantially the same kind of work, requiring the same skill, effort and responsibility performed under similar working conditions in the Municipality.

**3.2.2** The Municipality acknowledges that perceived or real inequity or unfairness can result in low morale and deteriorating service delivery levels. This could further breed below average performance, or staff turnover with more damaging results on overall performance. The Municipality shall therefore support equity by:

- (a)** Ensuring that all staff members are being treated fairly;
- (b)** Developing or adopting salary ranges and benefits packages that are relative to where the Municipality wants to be in the market;
- (c)** Rewarding staff members according to the relative value of their jobs within the Municipality; and
- (d)** Ensuring that determining salary is based on the job requirements, and not the skills and performance of the staff member.

### **3.3. Remuneration components**

**3.3.1** The Municipality shall at all times determine an optimal mix of the various components of the Remuneration and Rewards Programme, namely:

- Wages and salaries
- Direct benefits
- Indirect benefits

**3.3.2** The Municipality acknowledges that remuneration is based on local working conditions and shall therefore consult with staff members within the Local Labour Forum prior to determining the preferred optimum mix. Furthermore, the Municipality shall make compelling representations within the employer caucus (Divisional and National levels of SALGA [South African Local Government Association]) for the optimal mix that would help the Municipality attain the objectives aligned to the remuneration of staff members. The issues to consider in this regard are, but not limited to and where necessary:

- (a) Hourly wages for some staff members, and salaries for some;
- (b) Different hours of work for different groups of staff members;
- (c) Ability of staff members to earn flexitime (earnings by working a longer week than required), lieu time (time earned for working in excess of scheduled hours due to demands of the job, day, or situation), overtime (time a staff member worked in excess of scheduled and required time), and how these apply to different staff member groups;
- (d) Manner in which staff members receive increases; and
- (e) Frequency of salary surveys to ensure external equity.

## **4. WAGES AND SALARIES**

### **4.1. Municipal environment**

In determining what to pay for wages and salaries, the Municipality fully understands the economic conditions of the area in which it is situated and functions, the volume of potential staff members and the legislative requirements in place. In addition, the Municipality utilises SALGBC-sanctioned job evaluation or classification method or criteria in determining position placement and pay. The job-relevant skills and experience the applicant possesses would also be considered, as they would impact their placement in the salary range upon employment.

### **4.2. Deciding what to pay**

**4.2.1** The Municipality shall decide what to pay a staff member under the following situations:

- New staff member
- An existing staff member due for an increase
- An existing staff member moving into a new role
- A valuable staff member who is considering leaving because of remuneration

- Market conditions
- Scarce skills

**4.2.2** Under all situations, the approach taken shall be guided by the remuneration philosophy and consistent application. Ensuring that established guidelines are followed shall prevent offering a remuneration package so tailored to a person that the Municipality is jeopardised by having too heavy a financial burden or that flexible arrangements actually hinder the critical work from being completed. The Municipality shall therefore carefully craft a balance between its objectives / needs and the individual considerations to arrive at the optimal remuneration structure. In formulating such a balance, the Municipality shall answer the following questions:

- (a) Whether to employ a staff member or independent contractor?
- (b) What is the role of the position? (i.e. How much responsibility? How specialised are required skills? How much experience is needed? Are there others doing the same work? Are their responsibilities established? Is there alignment?)
- (c) How many people could apply? (i.e. Can a comparable job be found in a salary survey? How would service delivery be affected by not filling this role? What is the salary range of the role? How it compares to other roles already in place? How critical is the role in attaining Municipality's objectives?)
- (d) What is the cost of living in the local and / or district municipality area? (i.e. What is the all-sectors' average minimum wage of the area?)

### **4.3. Approaches and techniques for determining basic pay**

Determining basic pay is directly linked to the Municipality's remuneration philosophy. Having a clear understanding of what role the position plays in the Municipality, including the complexity of the required responsibilities and tasks, is factored into the equation along with data on market and sector comparative studies. This is done to ensure that the Municipality provides competitive salaries, whilst achieving consistency and credibility internally.

#### **4.3.1 Develop job descriptions**

Job descriptions are an important element of the Municipality's overall remuneration philosophy and shall form the basis to develop consistent salary structure based on the relative level of duties, responsibility and qualifications of each position on the organisational structure of the Municipality. Job descriptions define the requirements and responsibilities of a job that has been created to meet operational objectives. The Municipality shall apply standardised job descriptions in line with the Guidelines to Regulations issued by the Minister or develop new ones where such roles are excluded or not yet covered under standardised job descriptions.

#### **4.3.2 Conduct job analysis**

The Municipality shall endeavour to have the most effective alignment of tasks to roles, and their corresponding job descriptions by conducting an analysis of each job by group or department to determine which tasks are being done and by whom. This is particularly important as the remuneration structure is built based on the level of skill and experience required for a certain role to perform core functions. Where inconsistencies or inefficiencies are detected, a review to evaluate the appropriateness of the tasks assigned to that role shall be conducted. From there on it would be determined if the job description and associated remuneration warrants changing or not.

#### **4.3.3 Conduct job evaluation**

- (a) Job evaluation is the process for assessing the relative worth of jobs within the Municipality, and it directly serves as a tool to attain internal equity by establishing fair pay based on internal relative worth. A comprehensive analysis of each position's tasks, responsibilities, knowledge, and skill requirements shall be used to assess the value to the Municipality of the work performed and provide an internal ranking of the jobs. Alternatively, and where collective agreements and /or the Minister's instructions apply, the results of jobs already evaluated shall be applied.
- (b) Job evaluation shall be applied as a measurement of the internal relativity of the position and not the incumbent in the position. It would be used both independently and as part of the remuneration system designed to provide appropriate salary ranges for all positions, and thereby ensure an equitable and defensible remuneration structure that remunerates staff members fairly for job value.

#### **4.3.4 Review pay structures**

The Municipality shall apply the salary structures resulting from collective agreements, and as follows:

- (a) Apply the salary structure applicable to the grading and category of the Municipality;
- (b) Apply salary ranges for each of the different job levels, whereby placement in the range is based on established criteria outlining entry levels or notch, experience, and / or skill, and / or potential and fitness; and
- (c) Criteria for moving through a salary grade shall be aligned with the remuneration philosophy and be described in an Addendum to or revision of the Remuneration Policy by the Local Labour Forum.

#### **4.3.5 Participate in and conduct salary surveys**

The Municipality shall participate in, as well as conduct own salary surveys to determine pay levels for specific job categories. This would allow the Municipality



to benchmark remuneration practices including wages, salaries, bonuses and benefit provisions against other Municipalities in similar category, and other sectors in the district and province. This shall especially apply to remuneration for categories outside of the bargaining unit or its scope.

#### **4.4. Pay increases and bonus**

##### **4.4.1 Pay increases**

Basic pay is a fixed regular salary payment, determined through and contained in collective bargaining agreements, made to a staff member in exchange for performance of the duties and responsibilities of their role. The basic pay in this regard is inclusive of the 13<sup>th</sup> cheque, or annual service bonus. Municipality shall apply basic pay increases along these criteria:

- (a) Cost of living increase: offered annually regardless of performance, for each role on the salary scale by a set percentage in order to account for increases in the cost of living. This is determined by the SALGBC.
- (b) Market adjustment: offered periodically or annually following market survey data received and agreed to within the SALGBC. This may be offered as part of the cost of living increase.
- (c) Promotional increase: a staff member who is promoted shall receive a promotional increase at the time of the promotion aligned to the appropriate point in the salary range, taking into consideration performance, qualifications, experience and market information. A promotion in this regard is the advancement of a staff member to -
  - (i) a position that is evaluated at a higher salary grade / level than the one currently placed in; or
  - (ii) the next higher notch above the one currently placed in within the same salary grade / level.
- (d) Merit increase: this is a notch progression / increase awarded to recognise a staff member for their high level / outstanding performance. This category of a merit increase shall be another factor that moves a person through the salary grade towards the midpoint or higher. This type of increase shall be awarded following a formal annual performance review at the beginning of each financial year in line with the Performance Management Policy.

##### **4.4.2 Once-off bonus payments**

The Municipality shall consider a once-off bonus payment for staff members attaining the second highest rating of performance (i.e. below outstanding rating). The amount payable as percentage of annual basic pay shall be determined by the Municipal Council every financial year or fixed by an amendment of the Remuneration Policy.



## **5. DIRECT BENEFITS**

### **5.1. Recruitment competition**

**5.1.1** The Municipality is driven by the need and ability to find and keep highly qualified staff and in competition for the dwindling number of new staff members in the scarce skills category entering the sector. The Municipality aims to, in addition to the traditional benefits package provided for in the collective agreements, become more creative and responsive in the design, timing and generosity of benefit plans that are flexible to suit all different generations of staff members working side by side.

**5.1.2** Direct benefits are optional, non-wage remuneration provided to staff members in addition to their normal wages or salaries. These benefits may include group insurance (e.g. medical, life, funeral, etc.), disability income protection, retirement benefits, day care, tuition reimbursement, sick leave, vacation leave (paid and unpaid), and skills development funding.

### **5.2. Intended benefits for the Municipality**

The Municipality intends to derive the following advantages from providing direct benefits:

**5.2.1** To be able to recruit and retain qualified staff members alongside the competition;

**5.2.2** To manage high-risk coverage, e.g. funeral schemes, at low cost and ease the Municipality's financial burden where it has committed to provide these; and

**5.2.3** To improve productivity by assuring income security for staff members and their families.

### **5.3. Intended benefits for staff members**

Intended benefits for staff members are:

**5.3.1** To experience peace of mind which leads to increased productivity and satisfaction by being assured that they and their families are protected in any mishap;

**5.3.2** Additional protection in the event of illness or disability; and

**5.3.3** To feel a sense of pride in the Municipality if they are satisfied with the coverage they receive.

### **5.4. Being creative with benefits**

The Municipality shall utilise the platform of the Local Labour Forum to explore and design benefits not covered in the collective agreements. Although these options have

a cost associated with them, the Municipality is aware that the cost is significantly less than the benefit that would be reaped in return. These benefits are, for example:

**5.4.1** Allowing staff members to access most of their benefits from date of employment;

**5.4.2** Offering staff members birthday off with pay; and

**5.4.3** Group membership to funeral schemes, retirement annuities, etc.

## **5.5. List of benefits in scope**

The Municipality shall provide the benefits from the list below, either as a result of collective bargaining at national and divisional levels, or as a result of consultations within the Local Labour Forum, and where applicable and practical:

- Medical and dental health insurance
- Compensation for Occupational Injuries and Diseases (in terms of COIDA Act)
- Life cover in case of accidental death
- Cover in case of long-term disability
- Staff member Assistance Plan (EAP) for psychological and social well-being
- Unemployment Insurance (in terms of the UIF)
- Pension plan
- Group Retirement Annuity
- Group Funeral Scheme
- Group Financial Planning & Loans Scheme

## **6. INDIRECT BENEFITS**

### **6.1. Competition to recruit and retain scarce skills**

The Municipality acknowledges the disadvantaged position it finds itself regarding the recruiting and retaining of scarce skills. It is in this category of benefits that the Municipality intends to be more flexible and creative in order to draw and keep highly skilled staff members. Whilst aligning this creativity with strategic objectives, the Municipality also intends to differentiate itself in the way the indirect benefits are defined to suit the changing work environment.

### **6.2. Professional and artisan (trades) development**

The Municipality acknowledges that for many people, especially the younger generation, the ability to develop both personally and professionally is highly valued and a key consideration in deciding where to work. The Municipality shall therefore intensify the following as part of the employment contract:

**6.2.1** Access to training and development on the job and through courses or conferences, over and above the financial strength presented by the Workplace Skills Plan (WSP).

- 6.2.2 Reimburse staff members for Municipality-endorsed (pre-approved) courses taken on the staff member's own time, especially courses aligned with a professional or artisan designation in the staff member's current role.

### **6.3. Career opportunities**

The Municipality is conscious of the fact that in addition to supporting staff members' pursuit of training and development opportunities, it should also consider how it would support the staff members' career development into more responsible positions that deliver even more greater value to the Municipality. The Municipality shall therefore intensify and formalise the regular career discussions with staff members as part of a performance management process, in order to stay up to date on the staff members' progress and changes to directions they are hoping to take.

### **6.4. Culture**

The Municipality supports the fact that majority of staff members across the local government sector indicated that they are satisfied in their current roles due to the culture that recognises the importance of connecting performance to rewards. In this regard, the Municipality intends to influence its culture through the following:

- 6.4.1 Performance management, by providing staff members with clearly defined expectations, being able to identify goals to work towards and having their evaluation aligned with those agreed-to goals, to attain higher satisfaction levels. This shall be matched with providing effective and realistic feedback, both positive and constructive, in order to increase a continuous learning environment and commitment to the Municipality.
- 6.4.2 Succession planning, to bring a sense of purpose and sustainability to staff members. The Municipality shall have a conscious succession plan to ensure confidence in the future and roles of candidates identified and groomed for future leadership and managerial roles. Younger staff members with potential shall be identified as potential successors to long-term staff members. These younger staff members would win by learning critical skills while feeling rewarded for their hard work to date. The more senior persons would feel rewarded for years of service and identified as key contributors. The Municipality wins by ensuring that intellectual capital is not lost but transitioned from one staff member to another.
- 6.4.3 Trust, to ensure that staff members are trusted and respected to deliver on strategic objectives. The Municipality shall introduce a framework for instilling trust throughout the workplace based on three imperatives of (1) delivering results; (2) acting with integrity, and (3) demonstrating concern. Furthermore, the Municipality shall demonstrate the dependence of the above imperatives on leadership and each department's architecture, i.e. respectively, on (a) formal operating structures and processes, and (b) documented organisational culture (the values and principles).

### **6.5. Workplace flexibility**

The Municipality recognises the fact that alternative work arrangements are effective ways to negotiate an arrangement that meets the needs of the Municipality whilst also providing staff members with what they need to balance their home and work environments. The Municipality shall, within the Local Labour Forum, ensure that any alternative arrangement that is considered promotes the ability to provide core work while clearly stating the terms and conditions of the arrangement to prevent ineffective or damaging results. The following list of ideas shall be considered for workplace flexibility:

- 6.5.1** Flexible time, by establishing core working hours, and then allowing staff members to work earlier in the day or later in the day, depending on the type of work carried out. For example, core hours are 09h00 to 14h00; Staff member A starts at 07h00 and works till 15h00; Staff member B works from 09h00 to 17h00. Another example is recognising seasonal hours for some staff members or for part-time staff members, such as grass cutters, to work 4 days a week, take bulk of vacation leave during dry winter months, and work full week during summer, coupled with shorter leave periods.
- 6.5.2** Compressed work week, by allowing some staff members in some occupational categories to work their full number of hours in less days. For example, core hours are 40 hours per week; the staff member works four 10-hour days, instead of five 8hour days.
- 6.5.3** Job sharing, having 2 qualified staff members share the duties and tasks of one position where one could work 2 days or alternate between 3 days one week and 2 the next. The advantage is having 2 people who both know the role. Furthermore, this could be the answer for scarce skills where outside persons with spare time on their hands provide the Municipality with required skills and time for the salary of one staff member.
- 6.5.4** Telecommuting, by allowing some staff member categories to work from home under clearly defined guidelines and conditions. This can cut down travelling costs for most staff members, while increasing productivity and effectiveness. This idea can also serve to ensure application of the principle of reducing crowded workplaces in times of environmental disasters, and communicable diseases or pandemics.
- 6.5.5** Educational partnership, by considering structuring a role for a student or staff member in the final stages of their education, and thereby increasing the pool of potential staff members who could be loyal to the Municipality for providing them with practical experience and the ability to create a flexible schedule.

## **7. JOB EVALUATION FOR INTERNAL EQUITY**

### **7.1. Job evaluation purpose revisited**

As per paragraph 4.3.3 above, job evaluation is aimed at achieving internal equity within the Municipality.

## **7.2. Timing of job evaluation**

The Municipality shall, where specific jobs and every new position were not evaluated as per the Job Evaluation Policy, conduct job evaluation after completing a job analysis to determine the appropriate remuneration package for such positions. Furthermore, job evaluation shall be conducted when a job has changed substantially in order to reflect the current role (i.e. re-evaluation or re-classification). The goal here shall be to identify what is required to ensure satisfactory performance and / or progression.

## **7.3. Job evaluation policy and system**

Unless otherwise additionally provided for in the collective agreements, the Municipality shall apply the job evaluation policy, system, procedures and structures as per the Regulations and Guidelines issued by the Minister of Cooperative Governance.

# **8. SALARY SURVEYS FOR EXTERNAL EQUITY**

## **8.1. Salary survey defined**

**8.1.1** Salary surveys are surveys that collect information about staff member remuneration, including salary and benefits. They are conducted by or for numerous employers to determine pay levels for specific job categories, and are generally conducted nationally, per province, region, sector, or job classification for the purposes of comparability.

**8.1.2** The Municipality recognises that when applied in conjunction with other tools, salary surveys would provide useful benchmarking information to attract, engage, support and retain staff members within the context of an overall human resources plan.

## **8.2. Contents of and preferred salary surveys**

Salary surveys determine the low, high and average salaries for a given position, as well as provide a sense of what other employers are paying. The Municipality shall purchase or subscribe to results of salary surveys conducted by a variety of organisations proficient in the collection, analysis and distribution of salary data. Where necessary, and where the scope of salary or benefits under review are limited to local government or fewer sectors, the Municipality shall choose to conduct or instruct the conducting of own salary surveys.

## **8.3. Assessing salary surveys**

In deciding on purchasing or subscribing to a salary survey, the Municipality shall ensure that the salary survey is readily comparable and scientifically credible to be useful for benchmarking. The key success of using data contained in a salary survey is to understand the assumptions and criteria used to collect the information. The following guidelines would be used to assess a salary survey:



### **8.3.1 Compare apples to apples**

The Municipality shall ensure that comparisons are made with information that is similar to its work environment. The following shall be the guideline:

- (a) Review job descriptions or position profiles (not just job titles) in the survey report to compare the jobs with similar levels of responsibility and range of duties.
- (b) Note province or region where results come from, while looking for similar labour market characteristics and similar cost of living. Restricting comparison to a province, or merely the local government sector is not the Municipality's intention.
- (c) Note operating budgets of respondent employers, as larger operating budgets mean higher salaries. Comparable salaries shall come from employers of a comparable size, usually estimated by using the operating budget or looking at the number of paid full-time staff.
- (d) Note the types and descriptions of respondent employers with regard to functions, services offered, clientele, and sources of funding.
- (e) Note the level of education required for a job and the type of employment arrangement (full/part-time/union/contract) of the respondent employers.
- (f) Note the year of data collection and the date of the salary survey report as the labour market forces can result in significant changes in salaries in a short period of time. More recent data would be preferred in establishing current salaries and benefits.
- (g) Note if the survey is a one-time event or if it is repeated, as repeated surveys provide an added advantage of showing trends in salaries over the years of the survey.

### **8.3.2 Evaluate validity of survey**

- (a) The Municipality is committed to factual comparisons rather than surveys conducted flippantly. The important issues are to ensure that the survey was conducted in an objective, valid and reliable manner by simply looking at the sampling frame, sample size, and response rate. Furthermore, the Municipality shall consider the margin of error, where it is reported, and rule whether or not to consider the survey if the margin of error is not reported.
- (b) The following guideline or criteria shall be utilised to evaluate the validity and reliability of a salary survey against which comparisons shall be made:
  - (i) Information contained in the survey should come from a large enough sample size to provide valid and useful information.



- (ii) Results contained in the survey should be consistent to be reliable. An assessment of the survey instrument included in the report shall be carried out to consider how information was gathered to decide if it makes sense.

### **8.3.3 Rate usability of survey**

The Municipality shall ensure that a survey is rated on its usability prior to adopting or applying its results. In doing so this simplified rating criteria shall be applied:

- (a) All terms, especially technical terms, used in the survey are defined or explained.
- (b) User information is detailed to help understand the data.
- (c) Report is comprehensible to non-specialists in the field of remuneration.

### **8.3.4 Look at all the numbers**

The Municipality recognises that the actual salary paid to an individual is influenced in part by the staff member's years of experience and qualifications. Therefore, the salary range for a position provides more useful information than the actual salary an individual staff member is being paid. Other statistical information such as the median (i.e. the value in the middle when all the values are arranged from lowest to highest) would also help make sense of the data.

### **8.3.5 Consider the total remuneration package**

The Municipality values the importance of having information on the total remuneration package (i.e. covering wages and salaries, direct benefits, and indirect benefits) to make better comparisons. This is crucial to avoid making wrong assumptions. For example, in certain organisations or sectors where some or all benefits are not provided, many staff members would negotiate higher salaries to compensate for no benefits. This is important to know when considering the remuneration package for comparability.

## **9. COMMUNICATION AND CONCLUSION**

### **9.1. Staff member satisfaction for service delivery optimisation**

The Municipality believes that while staff members tend to focus on direct financial remuneration when contemplating their rewards, it is the non-financial rewards that tend to be more effective in contributing to long-term staff member satisfaction and engagement. The remuneration strategy, therefore, is a balance between internal equity and external competitiveness. Remuneration and benefits affect the productivity and happiness of staff members, as well as the ability of the Municipality to realise its objectives through service delivery optimisation. It is therefore imperative that the Municipality ensures creative remuneration of staff members.

## **9.2. Commitment to communicate remuneration information**

The communication of remuneration information shall be done through formats such as the Local Labour Forum, management statements, Municipal or staff newsletter, and memos from Human Resource Management. The communication shall carry the following information:

**9.2.1** Individual staff member job grade / level, and corresponding salary.

**9.2.2** Position of their salary in the salary range and notches for their job grade / level.

**9.2.3** The basis for progress through the range over time (e.g. experience and / or performance).

**9.2.4** The basis and / or procedure for annual salary adjustments and / or increments.

## **9.3. Links and ultimate outcomes**

This remuneration strategy aligns with and links itself to the strategic objectives outlined in the Integrated Development Plan (IDP). It establishes the Municipality's commitment, and the staff members' collaboration, to provide practical choices for determining remuneration packages using the Municipal Staff Regulations and Guidelines, and collective agreements, as the basis, to achieve staff member and team performance. The Municipality could therefore attract, recruit, engage, support and retain scarce and skilled staff members that would ensure sustainability of know-how and service delivery programmes.