



Talent Management and Retention Framework

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1. BACKGROUND

It has become more prevalent for organisations to consider what is referred to as the “Total Reward Approach” and not just to remuneration when considering how to attract, recognise and reward and retain employees. Top talented employees have an expectation not just to be remunerated fairly but also to have other opportunities such as promotion, development and training. The GEPP’s approach is to drive career development on the basis of its mandate and core business activities and not simply for the sake of developing its employees.

The organisation is continually reviewing its proposition to prospective and current employees, and in the process introduces relevant policies which cover training, medical health, special leave for training etc. The Organisation has a framework used to segment roles within the Organisation in accordance with their relative importance and impact in enabling the Organisation to realise its strategic goals and objectives, and therefore does not follow a “one size fits all” approach to career development.

The management of career may be differentiated depending on operational requirements and the scarcity of certain mission critical skills.

This document provides a framework for the management (retention) of those employees who are deemed to be critical for the successful execution of the GEPP’s strategy.

2 EMPLOYEE AND LEADERSHIP COMPETENCIES

In order for the GEPP to become an Employer of Choice, it aims to attract, develop and retain the best talented employees and leadership team that will enable the Organisation to deliver on its strategic priorities. The GEPP Leadership Team adopted the following competencies to guide this principle:

Build Relations and Inspire Others:

- Team Orientation (collaboration and cooperation)
- Results Orientation (important results and steps required to achieve the results)
- Conscientious (wishing to do one's work well and thoroughly)

Communicate Clearly

- Effective communication
- Service oriented (i.e. helping others) (internal or external customers/clients)

Develop People

- Learning and Adaptability.
- Goal oriented (important to focus on achieving a specific aim)
- Take responsibility.
- Professionally qualified with requisite expertise and experience
- Maturity
- EQ
- Independence

Change Leadership

- Innovation
- Problem-solving

Think Critically and Create Accountability

- Manage complexity.
- Ethical conduct (honesty/integrity)

The identified competencies highlighted above are meant to be integrated within the broader human resources processes (selection, development, induction, deployment, performance and succession management).

3 TOTAL REWARD APPROACH

The GEPF adopted a Total Reward Strategy which is aimed at creating a Total Rewards environment that attracts, motivates, measures and retains sufficient employees of the right calibre and competence, and motivates them to perform in alignment with the GEPF's Strategic Goals and Objectives. At the same time the GEPF aims to reward outstanding achievement by recognising those who perform outstanding and exceptional work.

The value of a Total Rewards Strategy for the GEPF is that it meaningfully integrates with the Human Resources Strategy and other relevant related elements, to the extent that it contributes to improved organisational performance and employee engagement.

Diagram 1 below reflects the key elements of applying a total reward approach. It demonstrates that the organisational culture and business strategy will have a bearing on the Total Reward Strategy which in itself encompasses monetary and non-monetary elements. A successful implementation of this has been shown to motivate employees and improve business performance.

Diagram 1: Total Reward Approach



There are three types of remuneration:

- Monthly guaranteed pay (referred to as salary plus benefits or cost to company)
- Short Term Incentives (STI)
- Long term incentives (LTI)

All organisations offer the first, however not all Employers offer the incentives. The GEPF offers all its Employees the first two remuneration types as mentioned above. However, the participants to the LTI scheme are informed by the Critical Talent Segmentation Framework as a mechanism to enhance retention of these critical skills. The GEPF benchmarks itself with the national market in respect of its positions in order to ensure that the pay structures are competitive from a remuneration perspective.

It is therefore paramount for the GEPF to consider what its offering is when recruiting to ensure that it knows what the Employee Value Proposition (EVP) is that a potential employee is going to forego. A simple example is any potential employee who is a member of Discovery's Vitality awards will lose these benefits if they join another medical aid. Therefore they will consider the value of this benefit when assessing any new offers of employment.

4 KEY TALENT RETENTION TOOLS

Retention tools are either classified as financial and non-financial. This section of the report sets out the various retention tools that can be used if required.

Financial talent retention tools:

The financial retention tools are as follows:

- Guaranteed remuneration
- Short-term Incentive
- Long-term incentives
- Sign-on bonus
- Matching (subject to role analysis)
- Attraction and retention payments

Guaranteed remuneration:

Although the remuneration strategy is to pay at the median, it is permissible to pay key employees at the 75th percentile or higher. This will be communicated to the employees because they need to know that they are being recognised.

These employees will typically be paid above their peers and be rewarded with above average annual increases, the following guidelines will apply:

- Annual guaranteed package will be aligned to the 75th percentile
- Assuming work performance is good they should receive above average annual increases as this reinforces the message that they are critical. (CPI + 2%)

Annual bonuses:

These employees will participate in the organisation's short-term incentive scheme. Short-Term Incentive schemes are considered more of a reward mechanism than a specific retention mechanism. However, should the GEPF not offer any form of a short-term incentive, the Organisation would be at a disadvantage when compared with other/peer organisations where short-term incentives are offered. The bonus would be paid on an annual basis on reaching the targets.

Long-term incentives:

A well designed long-term incentive scheme is a very good attraction tool and probably the most powerful of the retention tools as it enables the organisation to retain a competitive advantage over other organisations that do not offer this benefit. Using the Critical Talent Segmentation process which categorizes roles in line with business priorities and needs, Executives through REMCO recommends participants for endorsement and onward recommendation to the Board of Trustees for approval. The scheme is a cash based scheme dependent upon the attainment of organisational long-term performance measures.

Sign-on Bonus:

In order to attract key talent a sign-on bonus of up to 50% of annual package may be paid. This can be:

- Unconditional, or
- Conditional – will be repaid in full if the employee resigns within 2 years of joining

Matching:

This is an option which the organisation can exercise if an employee has been made a financial offer by another organisation and the organisation wishes to retain the existing skills. The employee will have to table an offer to ensure it is bona fide. The organisation can increase guaranteed pay up to the 75th percentile. Subject to PEO approval, for non-exec employees, a once-off bonus can be paid up to 25% of the employee's annual package. REMCO will approve all adjustments for the PEO and/or Executives in this regard.

Attraction and Retention Payments:

These are applied purely to attract and retain top talent, usually other roles in the Organisation that do not participate or benefitted from long term incentive scheme.

- These payments will be made at the discretion of Remco and the Board
- The participants will be selected by Remco and ratified by the Board
- The participants will be notified in writing of their participation in the scheme
- Up to 50% of annual package on sign on bonus can be paid in two tranches: 25% after 18 months and 25% after a further 18 months
- These amounts are subject to PAYE
- Once paid they are unconditional

Non-financial talent retention tools:

The non-financial retention tools include among others the following:

- Flexible office arrangements
- Flexible working hours
- Career and succession planning
- Educational opportunities
- Coaching/job shadowing
- Job rotation/enrichment

Flexible Office:

Flexible office allows specifically designated job incumbents to work from an alternative suitable venue to the official offices. This allows the job incumbent flexibility to make decisions on the best possible place for execution of performance outputs. Access to the required office equipment is a prerequisite to granting this benefit. Remote accessibility (data line, etc.) must be installed and may be provided for.

Flexible Working Hours:

Flexible working hours is a key element to the retention of specifically designated working groups. Such designated working groups, may utilise flexible working hours in accordance with personal needs if and only if there is no interference in service delivery to internal or external clients.

Career Management, Development and Succession Planning:

Career Management, development and succession planning is driven by the GEPF's strategic business objectives. To ensure the sustainable success of the GEPF a career and succession planning process will be implemented to develop employees to ensure that the organisation has a pool of talented individuals best skilled to deliver on the organisation's strategic objectives and in certain instances to potentially be successors where necessary. The GEPF has limitations in terms of providing vertical mobility to employees given the lean organisational structure and specialist nature of the mission critical roles. It therefore means that the organisation needs to create a challenging work environment that generates developmental opportunities and facilitates professional growth for those employees who are keen to develop themselves.

The following principles are important in the process:

- Employees at the GEPF are responsible for their own career growth and managers are expected to facilitate and support career development for the employees who report to them.
- Career growth and development at the GEPF is not a blueprint for promotion, rather it aims to increase the personal growth and mobility, expertise and competence of willing employees and managers within the operational needs of the organisation.
- Career management and development occurs through the performance management cycle. The performance planning and agreement process is used to set appropriate objectives and targets to address the current requirements of the job as well as to facilitate career growth of employees.

Forms of Career Growth and Development

The GEPF aims to adopt a wide view of career growth and development that may take on multiple forms including:

Educational:

The GEPF shall sponsor, with appropriate clawback clauses the following:

- Attendance of relevant courses, workshops and conferences;
- Assistance with undertaking self-directed study, research and study leave – this could include MBA studies and attending management courses at International Universities; and
- Sabbatical to complete tertiary education.

The nature of the training and development opportunity should be contingent on the individual concerned as well as the type of training or development needed based on job demands and the cost effectiveness thereof.

Coaching/job shadowing:

Coaching as a management mechanism will be employed to assist employees in executing work outputs and training and development actions. Coaching can be internal and external where a qualified independent mentor is employed to mentor the selected employees. It would include the opportunity to “shadow” a manager for a period of time to gain insight into other roles.

Job rotation/enrichment:

This enables an employee to learn other skills and disciplines for a period of 2 to 4 weeks instead of their normal administration job.

On-the-job training:

This involves structured training where an expert within a department or section mentors an employee following a structured program to develop their skills and expertise.

Work Allocation:

Using work allocation to challenge and grow employees and enrich jobs. This is done through allocating an employee (s) to a specific project or task force that will challenge and stretch them.

Secondment:

Seconding an employee to another section/division to increase their exposure to the organisation and other work processes and systems.

Increased delegation:

Delegating an aspect of the manager's work to an employee to challenge and stretch them.

Knowledge sharing:

Institutionalising peer-to-peer knowledge sharing opportunities.

Lateral Progression:

Creating opportunities for employees to move laterally, exposing them to new work at the same level as their current job. This enriches their work experience within the organisation and expands on their range and breadth of knowledge and skills.

Mentoring:

Identifying a senior person within the organisation or someone external to the organisation to act as a teacher, role model, trusted advisor, challenger, encourager and counsellor. Successful mentoring relationships are largely a matter of personal suitability and the goal of the mentoring programme. The mentee must be comfortable with the mentor who must be willing to invest time and effort to make the relationship work.

The procedures to access formal learning and development is contained in other procedures within the HR Manual and employees will be informed of the means to access these opportunities.

Other Non-remunerative retention tools:

The GEPP is mindful that there are other benefits which employee's value and may be viewed as incentives for enhancing retention. These retention mechanisms include amongst others the following:

- Gym membership
- Subscriptions to associations
- Long service awards
- Subsidised flights – compensate for previous EVP being given up