Conceptualising Labour Turnover and Retention Management in the Senior Management Service

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ABSTRACT

Human resource management is regarded as one of the fundamental components of the discipline of Public Administration. The employees of an institution are considered to be the most important assets that an institution possesses, primarily because they determine the success or failure of the institution in question. Employee attraction and retention is known to scholars of human resource management as one of the prominent challenges constantly confronting institutions, both public and private. As labour markets become more globalised, the phenomenon of employee mobility surges, which results in these public and private institutions needing to develop and implement measures that would assist them in attracting skilled personnel, whilst also ensuring that they have the ability to retain such personnel. This article will highlight some of the critical issues that influence labour turnover and retention, with particular reference to senior managers in the South African public service.

INTRODUCTION

This article explores the concepts of labour turnover and retention, as well as some of the critical factors that impact on successful career management in the South African Public Service, with specific reference to senior public officials. According to the Public Service Commission (PSC 2008) one of the challenges facing the South African Public Service is the recruitment, development and retention of competent managers. The need for a vigorous and competent

workforce in the public service, that addresses the primary needs of the utmost poor people in society cannot be undermined. At the wake of democracy in 1994, the ANC-led government had been tasked with the challenge of eradicating the value system that embedded itself in the socio-political climate of the country prior to the first democratic elections. The 1990s was a critical period in the public service as transformational and transitional changes occurred, however this in itself presented a challenge to those men and women who had been given the responsibility of formulating and implementing policies and programmes, which sought to address the socio-economic plight of the South African people. According to Cloete (2000:11) the problem was compounded by the fact that the "incoming elites (post-apartheid public servants) did not have the same experience as the outgoing elites. They did bring with them new experiences or in some cases no formal experience of governmental policy making and implementation."

The new government's vision of a better life for all, required a radical approach to the manner in which goods and services were delivered to those historically disadvantaged individuals (HDIs). This approach included the introduction of the Senior Management Service or SMS framework in 2001 by the former Minister of Public Service and Administration. Ten years after the introduction of the SMS, as well as a multitude of developmental policies, the public service continues to experience service delivery challenges. This article examines some of the significant issues relating to the attraction and retention of skilled and professional public servants in the South African Public Service.

BACKGROUND OF THE RESEARCH AND RESEARCH METHODOLOGY

The public service is confronted by a myriad of problems. These problems have been documented by scholars and practitioners in the field of Development Studies, as well as Public Management and Administration, Minnaar and Bekker (2005:2) argue that the sad reality is that government is unable to satisfy the demands of its citizenry, for the simple reason that it is clinging to outdated modes of governance, organisation and management. However, in addition to this documentation, government has played an important role in the formulation and implementation of developmental policies, creating partnerships with non-governmental and private institutions, as well as constructing an enabling environment which fosters and enhances opportunities for socio-economic growth and uplifting the social wellbeing of its inhabitants. The promulgation of the Senior Management Service Framework in 2001 was regarded as government's service delivery initiative to transform the manner in which citizens were provided with basic essential services such as access to health care, education and housing.

The article briefly outlines the background of the SMS and the purpose behind the creation of such a structure. Furthermore, the article derives information from an analysis of various official documents, books and journal articles. The arguments that are established in this article are also drawn from research that was conducted in 2010, which was based on career and retention management practices in the public service, particularly in the Department of Local Government and Housing (DLGH) in the Limpopo Province. The research identified the perceptions and views of senior managers towards career and retention practices within the DLGH. This article will illustrate some of the findings relating to that analysis.

Table 1 Senior grades of the South African Civil service

Civil Service Grade	Numerical Level
DG or Superintendent-General (SG)	16
Deputy Director-General	15
Chief Director	14
Director	13
Deputy Director	11–12
Assistant Director	9–10

Source Maphunye 2005:215

DELINEATION OF THE SMS FRAMEWORK

The SMS, a cadre of public servants plays an important role in translating government priorities into policy and service (Department of Public Service and Administration). It is a government driven initiative that aims to enhance and facilitate the government's development agenda, through the provision of a highly skilled and professional workforce.

Maphunye (2001:312-314, 2005:215) states that the term senior is contentious and that there is no consensus on who is senior in the South African public service. The dispute regarding the definition of senior was based on the view some people held that the most powerful (and therefore senior) positions were only those officials of chief-director upwards; but others understood senior to mean those officials from directors and above. Such officials were said to have more authority to make effective decisions in their departments and ministries. Table 1 illustrates senior grades of the South African Public Service.

The public service grades that are listed in the table above represent a cadre of public servants, who have been entrusted to formulate and implement policy directives in their respective public offices. Furthermore, Maphunye (2005) argues that the political administrative interface generally occurs at these levels, especially among the President, Deputy President, Minister, Member of Executive Council, Premier on the one hand and the Directors-General or heads of departments on the other hand. However, it is also at these levels where tensions, as a result of role conflict or competition, are known to occur. The article contends that these senior officials are highly skilled and professional individuals, but not necessarily in the field of Public Administration as many of them come from the private sector. Despite the fact that the South African Public Service has a well-established SMS structure, it is confronted with the challenge of attracting and retaining these individuals.

The *war for talent* is a common phenomenon in the South African labour market. This occurrence, coupled with the *brain drain* experience, poses a constant challenge for the public service to successfully recruit and retain well-performing public servants. Globalisation has often been cited as a major contributor to the skills dilemma that countries, particularly developing countries are expected to deal with. Job mobility or job hopping in the public service is a common trend amongst individuals, as these individuals are

compelled to make decisions that may ultimately determine whether they remain or depart from a particular institution. The following section will discuss the concept of public service career management. An understanding of the career system in the public service will provide an opportunity to identify the limiting characteristics of the current state of the system, as well as to identify how the system can be improved in order to ensure that the South African public service remains globally competitive with regards to having the capacity to attract and retain highly skilled employees.

CAREER MANAGEMENT IN THE PUBLIC SERVICE

According to the Public Service Commission (2010:23) the public service was not successful in 2000, in terms of implementing career management programmes. The absence of effective career management programmes in institutions during the abovementioned year was ascribed to the fact that most institutions were characterised by outdated and rigid structures, decentralisation, absence of time-frames in national policy and the implementation of the new Public Service Regulations (PSR) was anticipated. Subsequently, the PSR took effect and the Codes of Remuneration (CORE) replaced the Personnel Administration Standards (PAS).

CORE requires departments to develop their own career paths and career development programmes within the framework of the PSR and CORE. Although public institutions have been given a relative amount of autonomy in establishing their own programmes for attracting and retaining employees, many of these institutions have failed to develop such programmes, which may be attributed to the high turnover levels in the institutions of concern. The issue of incapacity is a major stumbling block in the public service, that is, institutions which lack the necessary human capital often struggle to develop effective policies and programmes that may assist them in addressing various challenges.

Human resource management in the South African public service is regulated by numerous statutory sources of authority, many of which were developed according to the founding principles of government's former Growth, Employment and Redistribution Strategy (GEAR). This means that a balance has to be struck between the need for rapid, visible affirmative action and the need to maintain the necessary efficiency and experience to address the country's socio-economic problems (Cheminais *et al.* 1998:137).

The post 1994 career management system of the public service has undeniably shifted away from the bureaucratic, rigid and hierarchical structure, which popularly characterised the former apartheid administration. The condition of the current career management system in the public service represents one of flexibility and openness in terms of job mobility at all levels of management. Consequently, this flexibility allows individuals, including those at SMS level to depart from one institution to another. This poses a major problem for the more marginalised institutions which are typically located in the less economically developed provinces or areas of the country. This challenge derives from the fact that when such institutions experience a *dysfunctional* turnover, they often struggle to replace these highly skilled individuals in a relatively short period of time, which in itself compounds on the institution's service delivery agenda.

The introduction of the Occupation Specific Dispensation (OSD) programme was aimed at improving government's ability to attract and retain employees through improved

remuneration. In addition to the improvement of remuneration structures, government also aims to strengthen the career pathing models that exist in the public service to recognise seniority and reward performance. The PSC (2000:6) identifies three important purposes of establishing a good career management system within the public service, namely:

- *Assisting employees to improve their performance:* Career management programmes strive to involve employees in setting their own goals and recognising their strengths and weaknesses. Institutional objectives can effectively be achieved because employees can be selected and placed in positions that would maximise their performance and work ethic.
- *Clarifying available career options:* Through career management programmes, employees are informed of career options available within the institution. The importance of clarifying available career options cannot be undermined because employees or rather "newly hired employees who receive realistic job previews have greater job survival" (Wanous 1978:188).
- *Aligning aspirations of employees with organisational objectives:* Career management programmes seek to improve the matching of jobs with the right employees. Wanous (1978:188) states that "in selecting employees, most organisations try to match individual and institution". This usually means selection of those who the employer predicts will be good performers.

The presence of favourable programmes and initiatives in the public service career system, on the contrary, does not guarantee that highly skilled and professional employees, such as the SMS, will decide to remain in the service. Unlike the private sector, the public sector is limited in terms of salaries offered and benefits available. The private sector has typically been chosen as the preferred employer of choice by many individuals, as the perception is that this particular sector offers more growth and benefit opportunities for its employees as compared to what the public service has to offer.
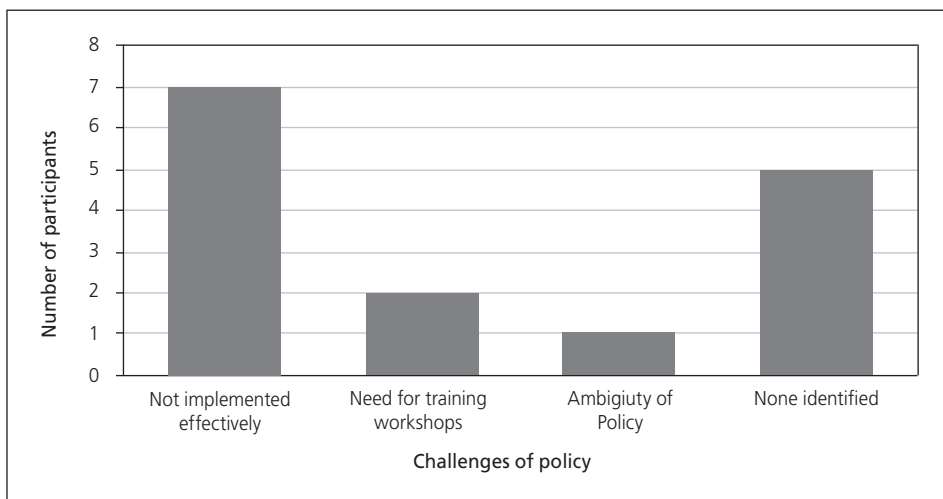
SENIOR MANAGEMENTS' PERCEPTION OF THE CAREER AND RETENTION MANAGEMENT POLICY

The Career and Retention Management Policy guides career and retention practices in the public service. The policy was formulated by the Department of Public Service and Administration (DPSA) as a national policy, which was to be adopted by provincial departments. However, this did not prevent provincial departments to formulate policies of their own regarding career and retention management issues. The Policy aims to assist departments in implementing effective strategies for attracting and retaining employees. Figure 1 is an illustration of the perceived challenges of the Career and Retention Management Policy in the DLGH.

As indicated in the figure above, the foremost challenge of the Career and Retention Management Policy is that the Department does not implement the Policy effectively. Furthermore, participants in the 2010 study concluded that the content of the Policy is ambiguous in nature, as the content of the Policy does not specify or target a particular group of employees, especially at a senior management level. A lack of communication with regards to the implementation of the Policy and the need for training workshops have contributed to the Policy being unable to produce the desired impact within the Department.

Figure 1 Perceived challenges of Career and Retention Management Policy

There is a need for the provision of training workshops which would provide officials with an opportunity to be informed about the Policy, specifically with regard to the purpose and objectives of the Policy, which would thus eliminate the uncertainty that some individuals may have in interpreting the Policy. As it was stated earlier, the Career and Retention Management Policy was designed and formulated in the national sphere of government, therefore the perceptions that senior officials have with regard to the ambiguity of the Policy may arguably derive from the fact that the Policy was not designed nor formulated according to the Department's overall human resource management planning strategies.

THE IMPACT OF LABOUR TURNOVER ON SERVICE DELIVERY

The impact of labour turnover on service delivery is negative not only on the image of the public service from a holistic point of view, but more importantly on the ability or inability of a department to provide services. Nengwekhulu (2009:351) disputes that rather than just ascribing public service delivery failures to shortage of skills, it is important to determine whether non-performing and poor performing public servants are not performing or performing poorly because they have no skills to do what they are expected and required to do. This will assist in determining genuine skills deficiencies because in some instances people do not perform or perform poorly because they have no skills. They may not be performing or performing poorly because of other reasons.

Figure 2 is a graphical representation of the critical factors that emanate from labour turnover and their impact on the Department's ability to ensure effective service delivery:

According to figure 2, the greatest impact of senior management turnover is that the quality of service will be compromised (33%). This factor is certainly the most important in terms of the negative outcome that employee turnover has on the Department's capacity to deliver standardised houses to the inhabitants of Limpopo. Access to housing

Figure 2 Impact of labour turnover on service delivery
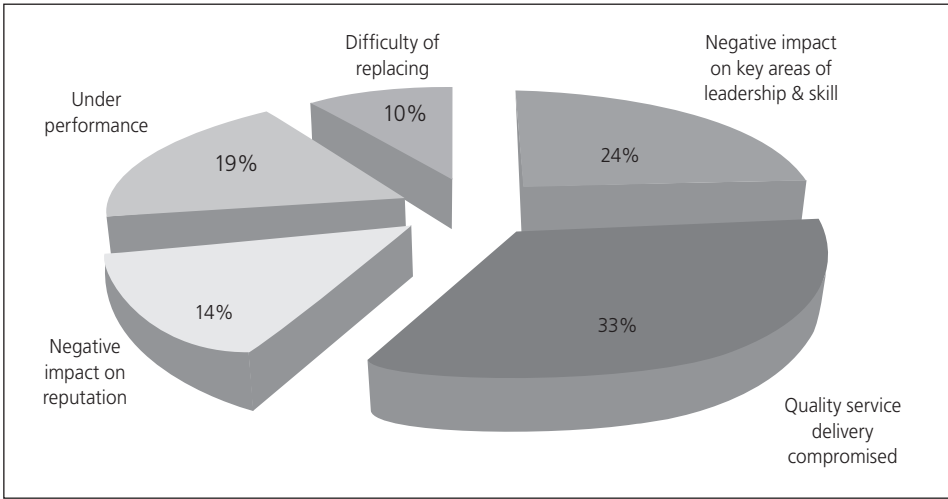
is a constitutional obligation, moreover it is a human right that every South African is entitled to. The DLGH is losing skilled staff, in addition it is unable to replace the lost skills within a relatively short period of time. However, when skilled employees are eventually replaced, their replacements are described by 19% of the participants as under-performing and unskilled individuals who are simply promoted or appointed into those positions. The underlying problem in replacing skilled employees with employees who may not necessarily possess the skills and or experience of their predecessors, is that the level of expertise in problem-solving related matters will be compromised.

The Performance Management and Development System (PMDS) is a human resource management tool that is intended to monitor the performance of public officials. The necessity of effectively monitoring and evaluating officials is imperative because this would indicate whether or not officials are attaining prescribed performance standards. If the prescribed standards are not attained, corrective measures need to be taken to prevent a potential case of poor performance occurring in the Department. Nengwekhulu (2009:351-352) further argues that the problem of skill deficiencies is not limited to only numerical shortages. There is a problem of poor quality skills being produced in South Africa. The outcome of this phenomenon is that a skills quality shortage permeates and this compels institutions, both in the private and public sector to compete for these scarce resources, which is commonly known as the *war for talent*.

Senior managers have a people-centered responsibility, in that, service delivery activities should be implemented in conjunction or in accordance with the *Batho Pele* principles. The responsibility of putting people (*batho*) first (*pele*) is government's initiative of promoting effective and efficient governance, particularly in the local sphere as this is the sphere that is closest to the people. Moreover, Crous (2004:574) affirms that governing institutions thus deliver services because citizens are unable to satisfy all their own needs and the activities of public administration are the logical consequences of the practice of service delivery from the earliest times.

In a speech presented by the Minister of Public Service and Administration, Mr. Richard Baloyi, at the *4th Public Sector Innovation Conference* that was held in September 2010, he

argued that in some cases, what leads to public demonstrations, is the frustration arising due to a lack of understanding of government processes. This statement indicates the important role that senior managers play in communicating their department's directives to the constituents because if this is not done, it will continue to complicate the service delivery process, moreover it will deteriorate the relationship that a community has with its representatives.

RETAINING SCARCE SKILLS IN THE PUBLIC SERVICE

The Attraction and Retention Policy (2008:5-6) identifies three types of skills that need to be retained. These are; scarce skills, valued skills and high-risk skills. Scarce skills are described as those skills that are needed to realise a department's goals and objectives, but which are difficult to recruit and expensive to replace. These skills, according to the Attraction and Retention Policy (2008:5) are identified, *firstly*; by the department having to analyse the levels of staff turnover, and *secondly* by understanding the department's skills requirements and the compensation of such skills in the labour market. Valued skills are those skills which are not determined as scarce skills, which a valued employee possesses and whose loss would have a negative impact on the department's ability to meet its goals. These skills are identified by assessing employees' performance evaluations and the role that they perform in the department. Lastly, high-risk skills are described as the skills that are possessed by employees who may leave the department in a relatively short period of time. These include employees who have indicated a need to leave the department, those who are de-motivated and may have reached a career ceiling.

According to the Department of Social Development in the Eastern Cape (2008:5) the loss of employees that have the critical and scarce skills can hamper service delivery, hence it is important to identify and prioritise the retention of such skills. To know which employees need to be prioritised, it is important to classify the skills that are important to retain. Classifying skills is, therefore, a key step in ensuring a focused and cost-effective retention strategy. The primary target group of the study was that of senior managers in the South African public service. Therefore, the particular intervention strategies that are described in this article are primarily aimed at the senior or top management echelon of public officials. The abovementioned skills are undoubtedly the types of skills that any employer would not be willing to lose to its competitors. These skills are imperative to the institution because the achievement of institutional goals and objectives are dependent on the retention of such skills. Naukrihub (2010:2) declares three levels that retention strategies should be directed towards low, medium and high level strategies. For the purpose of the article, only the high level strategies will be evaluated. These are listed below:

Encouraging professional training and development and/or personal growth opportunities, this can be achieved through;
- mentoring programmes;
- performance feedback programmes;
- provide necessary tools to the employees to achieve their professional and personal goals;
- higher study opportunities for employees;
- offer personalised career guidance to employees;

- getting the most out of employees interests and talents.

Provide an environment of trust; communication is the most important and effective ways to develop trust;
- suggestion committees can be created;
- open door communication policy can be followed;
- regular feedback on institutional goals and activities should be taken from employees by management communications, intranet and internet can be used because they provide constant and reliable access to information, as well as notice boards and newsletters.

Hire the right people from the beginning. The process of retention commences at the start of the recruitment process;
- the new recruits should fit with the institutional culture. The personality, leadership characteristics of the candidate should be harmonious with the culture of the hiring institution; and
- proper training should be given to the managers on interview and management techniques.

The Attraction and Retention Policy (2008:9) states that retention interventions for middle and senior management could include the introduction of mentorship and coaching programmes. Mentors and coaches play the role of career counsellors and sounding boards for managers. Enhancement programmes for middle and senior managers (that continuously re-focuses and re-new their skills) could be considered. These programmes could provide training on the key executive and senior management competencies that are required and could allow for interventions designed for each specific manager. Another well-known challenge that currently confronts public service institutions is that of politicisation in the appointment culture of departments. The study highlighted that the issue of political appointment plays a significant role in determining whether retention efforts will be successful or not because participants had alluded to the fact that these appointments foster tension amongst senior managers. Furthermore, participants were of the opinion that appointed individuals do not possess the necessary competencies to perform their duties effectively. The obstinacy of politicisation in departments can undoubtedly be regarded as one of the major problems in the implementation of attraction and retention measures, such as the Career and Retention Management Policy (2006) and the Attraction and Retention Management Policy (2008), primarily because aspiring middle managers may be of the view that political appointments are a hindrance towards an individual's career aspirations.

CONCLUSION

The purpose of the article was to conceptualise two essential human resource management functions, namely; career and retention management. The Senior Management Service was established during the government's transformation period as there was a need for a rapid introduction of an effective leadership structure in the public service. This article has highlighted the type of negative impact that labour turnover at SMS level has on service

delivery. Several consequences of labour turnover were illustrated in figure 2. The issue of political appointments will continue to act as a stumbling block in government's ambitious drive to ensure that it not only attracts highly skilled and professional employees, but that it also puts measures in place to retain such personnel. Government will continue to engage in a *war for talent* against the private sector as well as other segments of the economic labour market, both locally and globally for a relatively long period of time. However government's ability to successfully *win* this war will depend on various factors and co-ordinated efforts. Whichever measures and mechanisms are implemented by the government, it is imperative that these initiatives are founded on the principles of democracy and public administration in order to enhance the common interest of all South African people, as government is a means to an end and not an end in itself.

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