Training and Development Strategy

2021-2025

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Training and Development Strategy

Table of Contents

LIST OF ACRONYMS

4IR: Fourth Industrial Revolution

APP: Annual Performance Plan

AOP: Annual Operational Plan

ARC: Audit and Risk Committee

EVP: Employee Value Proposition

IGR: Intergovernmental Relations

LG: Local Government

LG SETA: Local Government Sector Education and Training Authority

HC: Human Capital

HR: Human Capital

MIG: Municipal Infrastructure Grant

RemPanel: Remuneration Panel

ROI: Return on Investment

SABPP: South African Board for People Practices

MBHASHE LOCAL MUNICIPALITY: South African Local Government Associations

SOPs: Standard Operating Procedures

WFPMA: World Federation of Personnel Management Associations

1. INTRODUCTION

This document provides details on the key strategic objectives that Training and Development will deliver on in shaping the future of the Training and Development subsection within MBHASHE LOCAL MUNICIPALITY. It outlines Training and Developments' service offerings, its core capabilities and the Operating Model that is necessary to enable the execution of the Strategic Objectives.

In developing the strategy, the contextual data that has been taken into account includes the Local Government environment in SA, MBHASHE LOCAL MUNICIPALITY's Mandate and 5-year Strategic Plan, Human Capital trends and the future of work in the 4th Industrial Revolution, and people management challenges facing MBHASHE LOCAL MUNICIPALITY and the Local Government Sector.

Training and Development Strategy has been developed in line with the organization's 5-year strategy (2021-2025) to ensure that the MBHASHE LOCAL MUNICIPALITY attracts and provides employee experiences that will retain people talent within the organisation. It will guide Human Capital practices in the organisation to ensure that MBHASHE LOCAL MUNICIPALITY is at the forefront and cutting edge of human capital practices and relevant technologies.

2. BACKGROUND AND OPERATING CONTEXT

2.1 The Local Government environment in SA

As depicted in the diagram below, South Africa is a democratic republic with three spheres of government: national, provincial and local.
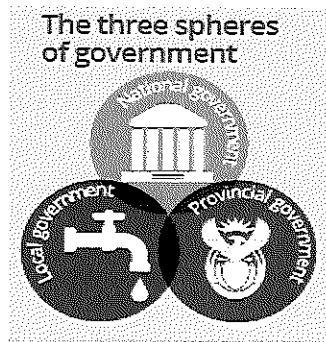
Local government is embedded within the constitution, which also outlines the various functions of and resource distributions between the spheres of government. The constitution places an obligation on local government to encourage the involvement of communities and community organisations in matters of local government.

Since 2014, Local Government in the country is guided by the 5 pillars of "Back to Basics" namely:

1. Putting people and their concerns first;
2. Supporting the delivery of municipal services to the right quality and standard;
3. Promoting good governance, transparency and accountability;
4. Ensuring sound financial management and accounting; and
5. Building institutional resilience and administrative capability.

2.1.1 The establishment of MBHASHE LOCAL MUNICIPALITY and its legislative framework

The South African Local Government Association (MBHASHE LOCAL MUNICIPALITY) is a public entity established by the Organised Local Government Act (Act 52 of 1997) to assist in the comprehensive transformation of local government in South Africa. MBHASHE LOCAL MUNICIPALITY is managed within the framework of the Public

Finance Management Act (Act 1 of 1999) and is listed as a schedule 3A public entity. Its main objectives are to:

- Represent, promote and protect the interests of local government;
- Transform local government to enable it to fulfil its developmental role;
- Enhance the role and status of its members as provincial representatives and consultative bodies of local government;
- Enhance the role and status of municipalities;
- Be recognised by national and provincial governments to be the representative and consultative body in respect of all matters concerning local government and to make representations to both provincial and national governments in respect of any matter concerning local government;
- Ensure the full participation of women in organised local government; and
- Be the National Employers' Association representing all municipal members and, by agreement, associate members.

Other legislation regulating MBHASHE LOCAL MUNICIPALITY include: the Constitution of the Republic of South Africa, 108 of 1996; The Municipal Systems Act (MSA), 32 of 2000 (as amended 2003, 2006 and 2011); The Intergovernmental Fiscal Relations Act (IGFRA), 97 of 1997; and The White Paper on Local Government, 1998.

2.1.2 Internal Governance arrangements

MBHASHE LOCAL MUNICIPALITY is a Schedule 3A Public Entity, recognized in terms of the Public Finance Management Act of 1999.

2.1.3 Current challenges facing Mbhashe Local Municipality

Mbhashe Local Municipality has had to grapple with a number of issues including but not limited to:

- A general economic decline that has led to an increase in indigents on municipal registers;
- Aging infrastructure;
- Revenue challenges (e.g. debts owed to municipalities by other spheres of government);
- A lack of accountability and consequence management that has fostered corruption;
- Increased municipal debts (owed by municipalities to Eskom);
- The recent Covid-19 pandemic that has worsened the already stressed service delivery.

From a HR perspective the main issues affecting municipalities are:

- Not fit for purpose organograms (administrative vs. technical workforce)
- Absent or inadequate HR systems and processes
- Non-compliance – one of the causes of poor audit outcomes
- Inadequate professionalization of the sector (e.g. cadre deployment – negatively impacts municipalities when the deployees do not have the relevant professional skills.

Mbhashe Local Municipality have a shortage of technical capabilities and rely on an exorbitant use of consultants. For example, Mbhashe municipalities are unable to fully spend their Municipal Infrastructure Grant (MIG) due to a shortage of financial skills.

Likewise many member municipalities lack the capacity to empower the leadership with data for decision making and scenario modelling.

2.1.5 MBHASHE LOCAL MUNICIPALITY response to the challenges faced

Subsequent to the challenges mentioned above some of the solutions that MBHASHE LOCAL MUNICIPALITY workforce is expected to bring to municipalities include:

- Hands on support – by moving away from a touch and go approach towards a project-based support until tangible results are seen in the municipality;
- Evidence based data and statistics – thus enabling the leadership to make informed decisions;
- Strengthen IGR collaboration with other sector of LG and relevant stakeholders;
- Technology – a key enabler towards MBHASHE LOCAL MUNICIPALITY improving the LG sector systems and processes (e.g. Billing systems; HR systems);
- Community trust – by aggressively profiling LG and regularly communicating the good stories that happen in sector;
- As Organised Local Government, MBHASHE LOCAL MUNICIPALITY is thus tasked to assist its members with technical insight and evidence based data.

To this end, MBHASHE LOCAL MUNICIPALITY has recently embarked on a **5R approach**; broken down as follows:

1. Resolve: Immediate challenges facing MBHASHE LOCAL MUNICIPALITY, municipalities and communities
2. Resilience: Inject resilience in the system
3. Return: What will be required to return local government to the new normal
4. Reimagine: What should we reimagine in the tools, system, environment
5. Reform: Be clear about how regulatory environment impacts on local government.

This response from MBHASHE LOCAL MUNICIPALITY is intended to make a positive impact on the LG sector; which will hopefully result in improved service delivery as well as in a positive public perception of Local Government.

2.2 The Future of Work

The Fourth Industrial Revolution (4IR) is blurring the lines between people and technology, fusing the physical and digital worlds. The impact of these changes on the way people work and organisations produce value has already started to span all sectors and redefine the future of work. Governments and organisations such as MBHASHE LOCAL MUNICIPALITY have seen the need to adapt to these changes and support the workforce transition. Recent developments of the COVID-19 pandemic have led to calls for what some refer to as "a new moral economy" that has people and their well-being at the centre.

2.2.1 What does the future of work mean?

The future of work refers to many forces of change affecting three deeply connected dimensions of an organisation: **work** (what), the **workforce** (who), and the **workplace** (where) (Figure 1).

The future of work encompasses changes in work, the workforce, and the workplace (refer to figure below)

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┌──────────────────┐     ┌─────────────────┐     ┌──────────────────────┐
│      Work        │     │  1. Automation  │     │     Workplace        │
│ 1. What can be   │     │      level      │     │  3. Where is the work│
│   automated?     │     │                 │     │       done?          │
└──────────────────┘     └─────────────────┘     └──────────────────────┘
                         │  2. Physical    │
┌──────────────────┐     │    distance     │     ┌──────────────────────┐
│ With increasing  │     │                 │     │ With new combinations│
│ robotics,        │     │                 │     │ of collaborative,    │
│ cognitive, and   │     │  3. Talent      │     │ teaming, and digital │
│ artificial       │     │    category     │     │ reality technologies,│
│ intelligence     │     │                 │     │ how are workplaces   │
│ technologies,    │     │                 │     │ and work practices   │
│ what work can be │     │                 │     │ reshaping where and  │
│ done by- and     │     │                 │     │ when work is         │
│ with-smart       │     │                 │     │                      │
│ machines?        │     │                 │     │                      │
└──────────────────┘     └─────────────────┘     └──────────────────────┘
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Source: Adapted from Deloitte Analysis

The new realities created by these forces of change present us with complex questions to consider including ethics around human-machine collaboration and how we unleash other means of sourcing talent.

(I)   Work: What will the work look like?

As we step rapidly into the cognitive revolution, we have the responsibility of redefining work to create valuable human-machine collaborations, shifting our understanding of work from task completion to problem-solving and managing human relationships.

(II)   Workforce: Rethinking talent models

As labour-sourcing options increase, it opens up the possibility for more efficiency and creativity in composing MBHASHE LOCAL MUNICIPALITY's workforce. But it should be

borne in mind that with more options often comes more complexity. As an organisation we should not only consider how roles are crafted when pairing humans with machines, but also the arrangement of our workforce and what type(s) of employment are best suited to obtain the creativity, passion, and skills sets needed for the work at hand.

The ability to sustain a steady supply of critical talent is a challenge facing all organizations worldwide. Among the issues impacting the "next generation" workforce are impending skill shortages, an increasingly cross-generational and diverse workforce, the need for knowledge transfer from retiring baby boomers, and significant leadership gaps. Intense cost pressure from both traditional and emerging competitors, new markets, and more demanding customers are additional elements that give a new sense of urgency to the concept of talent management.

We have an opportunity to optimise the organisational benefits of each type of talent relationship while also providing meaningful and engaging options for a wide variety of employee needs and motivation.

(III)   Workplace: Rethinking where work gets done

As the "who" and the "what" of work shift, so does the workplace. Where once physical proximity was required for people to get work done, the advent of digital communication, collaboration platform, and digital reality technologies, along with societal and market changes, have allowed for and created the opportunity for more distributed teams.

Secondly, changing the physical workplace should not be seen simply as an opportunity to increase efficiency. Organisational culture is highly connected to both innovation and business rights, and as teams become more distributed, MBHASHE LOCAL MUNICIPALITY has seen the need to rethink how we foster both culture and team connections.

2.3 Human Capital trends and challenges

A number of Human Capital trends impact on MBHASHE LOCAL MUNICIPALITY and have been considered to enable MBHASHE LOCAL MUNICIPALITY to align its Human Capital strategy to the overall organisational strategy, while keeping up with emerging practices within the human capital space.

2.3.1 The alternative workforce

For years, many considered contract, freelance, and gig employment to be "alternative work", options supplementary to full-time jobs. Today, this segment of the workforce has grown and become mainstream even as talent markets have tightened, MBHASHE LOCAL MUNICIPALITY has to look strategically at all types of work arrangements in our plans for business sustainability. In terms of best practices, access to and deployment to alternative workers are now being invested.

The success lies in MBHASHE LOCAL MUNICIPALITY putting in place a workforce plan that takes into account the different ways of using the different categories of alternative workforce.

2.3.2 From 'jobs' to 'super-jobs'

A vast majority of organisations are expecting to significantly increase their use of artificial intelligence, cognitive technologies, and robotics over the next three years. As organisations adopt these technologies, they are anticipating that every job must change, and that the jobs of the future will be more digital, more multidisciplinary, and more data- and information-driven. To be able to take full advantage of technology, the challenge for MBHASHE LOCAL MUNICIPALITY is how to shift from one-dimensional jobs what is called "superjobs".

2.3.3 Increasing competition for leadership and specialised talent

Talent markets are highly competitive, particularly for sourcing effective leaders and certain specialised professions. People with the right skill sets that can offer world class contributions to MBHASHE LOCAL MUNICIPALITY are increasingly hard to find. A focus on leadership competencies and learning and development promotes better leadership. However, skills needed for a particular position may change depending on the specific leadership level in the organisation.

Identifying and keeping "talent" is becoming more and more important to CEOs and senior executives. Organisations are increasingly trying to differentiate "key people" from everyone else.

By using a competency approach, as an organisation, MBHASHE LOCAL MUNICIPALITY can be able to determine what positions at which levels require specific competencies. When selecting and developing leaders, HR professionals would consider the competencies that the individual possesses and compare those to the ones that need further development for success in a leadership role. By looking at his/her current competencies and comparing those to the skills necessary to fill a leadership position, MBHASHE LOCAL MUNICIPALITY can make better informed decisions in hiring, developing and promoting leaders.

2.3.4 Accessing talent: it's more than acquisition

Evolving work demands and skills requirements are creating an enormous demand of new skills and capabilities, while a tight labour market is making it challenging for organisations to recruit people from outside. Within this context, learning is evolving by becoming more integrated with work; it is becoming more personal; and it is shifting slowly toward lifelong models. For MBHASHE LOCAL MUNICIPALITY, this requires effective reinvention along the lines of a culture that supports continuous learning, incentives that motivate people to take advantage of learning opportunities, and a focus on helping individuals identify and develop new, needed skills.

2.3.5 Demographic challenges

MBHASHE LOCAL MUNICIPALITY will continue to have relatively reasonable numbers of staff retiring in the next few years. There is also increased mobility within the wider workforce and the need to ensure continued learning and development of MBHASHE LOCAL MUNICIPALITY's staff base by facilitating career growth and development. At the same time, as an organisation we have considered how are we going to retain high quality talent and ensure business continuity as well as the maintenance of our institutional memory.

2.3.6 Workforce preferences and changing expectations

Demographic and generational changes in workforce composition and preferences demand new behaviours, skills and styles of leadership to cope with a dynamic and shifting environment of innovation and change. There is a need to accommodate and maximize the potential contributions of an increasingly diverse workforce, including large numbers of core staff and support personnel, with different needs and expectations by providing a more flexible workplace and innovative ways to deliver work.

2.3.7 The need for strong organisation "Branding"

The advent of social media and search technology has put increased emphasis on being able to effectively differentiate ourselves, and make the organisation attractive enough to stand out through "branding" and targeted outreach and attract the right type of talent at the right time.

2.4 Implications for MBHASHE LOCAL MUNICIPALITY

The Fourth Industrial Revolution and its significant implications for the future of work presents Human Capital at MBHASHE LOCAL MUNICIPALITY with a unique opportunity to redefine its mandate and further advance its function by shifting from being a steward of employment to being a steward of work, while ensuring the continued relevance of the workforce through the creation of a culture of continuous learning and reskilling. Furthermore, the key thing to realise is that learning, in general, is an ongoing process. Hence organisations such as ours need to be a learning entity. When we say "a learning organisation", in effect we are saying that the people in the organisation must be open to continuous learning and development. So Learning Agility is crucial for superior organisational performance and results.

2.4.1 Developing new leadership capabilities for the 4IR

MBHASHE LOCAL MUNICIPALITY's leadership will need to lead from the edge, adopt the right technologies, and drive a new vision of organisational culture and shape innovative people strategies for the future of work by:

- Combining operational management, technology integration and people management skills;

- Using culture as the new structure;
- Using analytics as a key tool in the organisation.

2.4.2 Managing the integration of technology in the workplace

The way work gets done is changing. A growing area of responsibility for HC is to partner with the business to achieve the optimal combination of human workforce and automation to ensure a positive impact on the future of work by:

- Building a talent ecosystem encompassing alternative work models and employ different methods of finding needed skills.
- Developing strategies for job reinvention, reskilling and redeployment of talent;
- Identifying reskilling pathways for talent whose work is being transformed by automation; and
- Orchestrating a combination of actions to address the impact of automation.

2.4.3 Enhancing the employee experience

The increasing complexity of the workforce and the use of technology is calling for a change in the way work is experienced within MBHASHE LOCAL MUNICIPALITY. This has presented an opportunity to HR to expand the concept of "employee experience" to address the "human experience". In other words, HR as a strategic partner plays a vital role in defining, measuring and enabling the meaningful employee experience in the 4IR by:

- Aligning the employee experience with the agile operating model;
- Creating a human-centric, holistic and purposeful employee experience;
- Rethinking and investing in employee well-being; and
- Using technology to engage employees.

2.4.4 Building an agile and personalised learning culture

HR as a strategic partner plays a leading role in fostering a culture of lifelong learning in the context of declining demand for certain skills, the emergence of new ones and the requirement for talent to continuously learn, unlearn and relearn by:

- Engaging and pro-actively managing employees in mission critical jobs;
- Fostering a culture of lifelong learning and shared responsibility;
- Unlocking the learning blend that is right for MBHASHE LOCAL MUNICIPALITY; and
- Track and measure skills at MBHASHE LOCAL MUNICIPALITY.

2.4.5 Establishing metrics for valuing Human Capital

The mutually beneficial relationship between the employees and MBHASHE LOCAL MUNICIPALITY has made it essential for HR to create a compelling case for establishing viable and scalable measures of human capital as a key performance driver and continuously demonstrate the impact of its work on organisational performance by:

- Reporting on the value added by human capital; including all forms of human capital metrics within MBHASHE LOCAL MUNICIPALITY.
- Using new technologies and data to develop new human capital metrics; and
- Using technology and data to drive the business decision-making.

2.4.6 Embedding employment equity and transformation

Changing social, economic and political forces bring an opportunity for MBHASHE LOCAL MUNICIPALITY to profoundly advance employment equity and transformation. HR plays a pivotal role in promoting a sense of purpose and belonging within the organisation by:

- Embedding diversity and inclusion into concrete steps in culture and process;
- Engaging with stakeholders and knowledge workers beyond MBHASHE LOCAL MUNICIPALITY;
- Proactively managing diversity in alignment with organisational strategy; and
- Using data analytics rigorously to measure employment equity and assess transformation.

2.4.7 Growing demand of knowledge workers

The importance of knowledge at MBHASHE LOCAL MUNICIPALITY as well managing it has become a growing field interest. Knowledge workers are described as workers with knowledge that provide the organisation with a unique resource. These are workers with distinct and core competencies, internal capabilities, intellectual capital and unique managerial talent.

Knowledge is often taken to mean data or information. Data is simple observations with no meaning attached to what has been observed. As soon as data is interpreted and given relevance and purpose, it becomes information. Information implies that some understanding exists. Knowledge involves higher intellectual processes and implies an understanding of broader issues which enable the individual to apply information to practical situations. In the context of MBHASHE LOCAL MUNICIPALITY, knowledge can only be created and sustained by ensuring that all learning synergies are combined to create a learning organisation, which is an organisation which facilitates the learning of all its members and continuously transforms itself.

Finally, by managing the people implications of the 4IR for MBHASHE LOCAL MUNICIPALITY, Human Capital is committed to play a critical role in ensuring that the organisation is able to successfully adopt and deploy new technologies by supporting employees through adaptation and transition as their roles, tasks and skills change, and by integrating new worker and general expectations to build attractive and inclusive organisation.

3. THE BEST PRACTICE HR STRATEGY FRAMEWORK

In developing this strategy, Human Capital has adopted the Deloitte HR Strategy Framework, 10-step approach designed to help organisations define and execute an effective HR strategy as well as develop and deliver services and capabilities that today's organisations need to survive and grow.

Adapted from Deloitte HR Strategy Framework

Define human capital value
1. Understand the business strategy
2. Define HR strategy

Align HR products and services
3. Segment HR customers
4. Prioritise HR investments
5. Design HR services

Deliver value
6. Ensure right HR service delivery model
7. Establish right HR capabilities
8. Improve HR operational excellence continuously
9. Build HR brand
10. Measure impact of HR products and services

3.1 Deloitte HR strategy framework 10-step approach adjusted to MBHASHE LOCAL MUNICIPALITY

3.1.1. Understand the business strategy

It means defining human capital value for MBHASHE LOCAL MUNICIPALITY. It is about understanding the organisation and its partners and identifying how they impact HR strategy and priorities.

3.1.2. Define HR strategy

In this step, HC creates a roadmap about how it aligns its strategy and how it helps to build a competitive advantage for the organization. HR products and services need to be aligned.

3.1.3. Segment HR customers

Not all HR customers are equal. In the third step, HC segment its different (internal) customer groups and identify the most crucial ones. Different customer groups require different approaches. Hence the organisation has segmented its internal customers into level 1 to 8.

3.1.4. Prioritize HR investments

MBHASHE LOCAL MUNICIPALITY HR budget and other resources are limited. The organisation has to prioritise the investments that benefit our key customers and that provide the best ROI. The major investment is investing in an integrated system which will lead to ROI. There are four main reasons why HC would want to measure costs:

- Monitor departmental costs
- Measure impact and overall success
- Predict future costs
- Calculate a return of investment (ROI)

3.1.5. Design HR services

In this phase, MBHASHE LOCAL MUNICIPALITY will go through all the HR focus areas and analyse and identify all the processes that should be streamlined or re-engineered, for example the newly adopted HR operating model.

3.1.6. Ensure the right HR service delivery model

In this step, MBHASHE LOCAL MUNICIPALITY will assess the current HR service delivery model and assess how effectively it helps to meet the organization's goals. MBHASHE LOCAL MUNICIPALITY will also analyse the key HR enablers such as HR systems, processes, and infrastructure. Optimizing these will help in delivering HR services that add value to the organizational strategy.

3.1.7. Establish the right HR capabilities

Another HR enabler that requires special attention at MBHASHE LOCAL MUNICIPALITY are the HR capabilities. By identifying the current skills and competencies and the ones required to deliver HR strategy, a skill gap can be identified and filled.

3.1.8. Improve HR operational excellence continuously

This step is about the optimization of MBHASHE LOCAL MUNICIPALITY HR does. By assessing the efficiency of our HR processes, we can continuously improve them.

3.1.9. Build an HR brand

Establish the HR department in the wider organization and obtain information on how HR is and should be performing.

3.1.10. Measure the impact of HR products and services

In step 8 MBHASHE LOCAL MUNICIPALITY will assess the efficiency of its HR processes. Measuring the impact of MBHASHE LOCAL MUNICIPALITY products and services on the relevant business outcomes through analytics helps to adapt and improve what the HR department does through HR Analytics which is the quantification of the people drivers of Organisational outcomes.

3.2 MBHASHE LOCAL MUNICIPALITY 5 year Strategic Plan

3.2.1 Vision, Mission and Values

Our Vision	To be an association of municipalities that is at the cutting-edge of quality and sustainable services.
Our Mission	To be consultative, informed, mandated, credible and accountable to our membership and to provide value for money.
Our Values	**Operating Principles**
RESPONSIVE	Being creative, quick and flexible in responding to our members and improve turnaround times
INNOVATIVE	Exploring new ways of doing things and provide fresh and unconventional to our members
DYNAMIC	To be flexible and adapt to change in order to service our members effectively and efficiently
EXCELLENCE	To serve our members with pride and excellence

3.2.2 Strategic Objectives

MBHASHE LOCAL MUNICIPALITY's 2017-2022 Strategic Plan is the central policy thrust for the development of its Annual Performance Plans (APP) and Annual Operational Plans (AOP). The strategic goals contained in the plan represent long-term outcomes that MBHASHE LOCAL MUNICIPALITY will champion to drive service delivery, spatial transformation and growth and development in local government.

Guided, supported and directed by its strategic vision, goals, enablers and the predetermined targets of its Annual Performance This framework also enables MBHASHE LOCAL MUNICIPALITY to fulfill its roles as a democracy protector, local government sector rights enforcer and constructive disrupter, where the existing overall local government system has the ability to fulfill its mandate.

| To promote high quality and reliable service provision and infrastructure investment | To support regional economic strategies and effective land use management approaches for scale and social cohesion | | To strengthen oversight and accountability | To modernise governance systems and processes | | To develop and support the implementation of financial strategies for long-term sustainability and viability of local government | To support innovative revenue enhancement strategies for local government |

STRATEGIC GOAL 1
Sustainable, Inclusive Economic Growth and Spatial Transformation

STRATEGIC GOAL 2
Good Governance and Resilient Municipal Institutions

STRATEGIC GOAL 3
Financial Sustainability of Local Government and Fiscal Equity

| To implement a sustainable Urban Development Programme | To strengthen LG's role in Community Development and Social Cohesion | | To foster sound and productive labour relations | To professionalise local government | | To strengthen financial management systems and controls |

These goals become the basis for measuring the long-term success of local government through their associated strategic objectives. They also serve as a focal point for partners and stakeholders to lead and participate in interventions that are geared towards transforming and developing local government.

3.2.3 Human Capital as a Strategic Enabler

According to the diagram below, MBHASHE LOCAL MUNICIPALITY has identified HC as a function that enables organisational effectiveness, hence making impact to our member municipalities through the employees. Thus the importance of a clear strategic framework for the HC function.
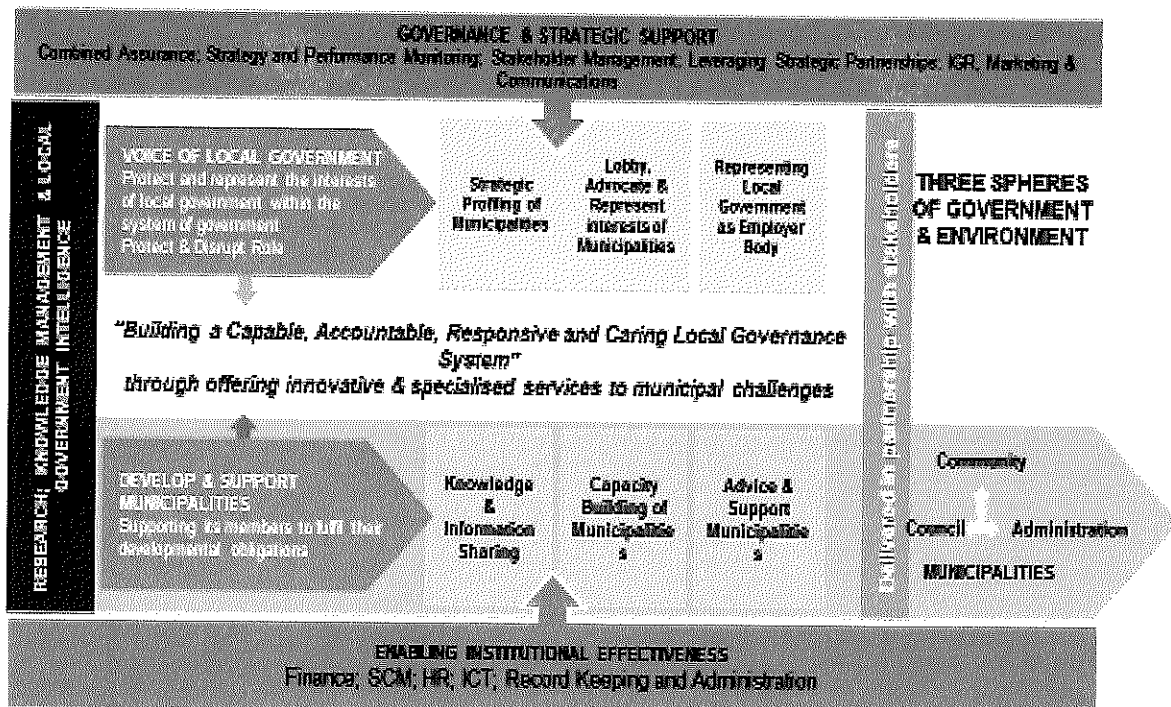
3.3 Key People Management Challenges facing MBHASHE LOCAL MUNICIPALITY

Below are some of the people management challenges facing MBHASHE LOCAL MUNICIPALITY that need to be addresses to ensure an effective organisation internally that is well positioned to execute its mandate with its member municipalities:

- MBHASHE LOCAL MUNICIPALITY lacks a holistic Talent Management Strategy that encompasses segmentation of the workforce, differentiated attraction and retention strategies, and succession planning to ensure the organisation has the requisite number and quality of talent required to fulfil its mandate.

- In line with the point above, MBHASHE LOCAL MUNICIPALITY lacks an integrated Learning and Leadership Development Strategy that is aimed at developing internal talent to meet current and future skills set, based on a set of core competencies that is critical for providing service to municipalities

- A Total Reward Strategy is required to ensure flexible options that will speak to the needs of the different segments of talent, which should result in retention of Critical Talent.

- The Performance Management Framework is being reviewed to improve the inefficiencies identified in the model used, the system and the practices applied which are inconsistent and perceived as unfair. This is also to ensure a tight alignment between individual, team and organisation performance.

- The existing HR technologies do not adequately enable Human Capital to align itself to MBHASHE LOCAL MUNICIPALITY's ambition to be at the cutting edge of local government practices. The lack of integrated HR technologies negatively impacts on the ability of the Human Capital function to analyse employee data and yield insights that would inform people management and operational decisions.

- MBHASHE LOCAL MUNICIPALITY needs to develop an organisation culture that promotes an employee and leadership experience that is based on trust, encourages open dialogues, accountability, and high performance.

- The intention of this document is to detail Human Capital strategies that will mitigate the aforementioned challenges. It is also important to highlight that while the immediate focus of this document is the internal organisation, it is the intention that practices, tools and processes developed through this process may be packaged and adapted to support municipalities in the near future, once they have been tested internally.

4. THE HUMAN CAPITAL STRATEGIC APPROACH

In order for the Human Capital function to respond strategically to the operating context and challenges facing the organisation, it is important to first look at the current state of the function in terms of the strengths weaknesses opportunities and threats that will either enable or inhibit the function from doing so.

4.1 Overview of the Human Capital function within MBHASHE LOCAL MUNICIPALITY

Human Capital currently lacks a value proposition to the organisation that clearly articulates its offering to the organisation. This strategy document is aimed at closing that gap, to ensure that potential employees are clear on why they would want to work for MBHASHE LOCAL MUNICIPALITY, as well as current employees to make the choice to remain with the organisation. More importantly, the intention of the Human Capital Strategy is to ensure effectiveness of the organisation and to enable it to deliver on its mandate in the local government sector.

Through this strategy development process, Human Capital intends to position itself as a strategic partner within the organisation, ensuring that administrative processes are as efficient as possible, using relevant technologies, and all other practices and processes are effective in driving the desired culture and employee experience. This will be achieved through clearly mapped out processes and standard operating procedures across the human resource value chain as well as additional capacity at senior management level and development of the right skills and work ethic within the function.

The lack of the right skill level, right technologies, right people within right jobs, has resulted in a very inefficient and ineffective human resource function, which reflects in the negative perception, customer/employee experience throughout the organisation.

The focus at MBHASHE LOCAL MUNICIPALITY until now primarily has been on the operational aspects of HR. However, this is about to change. Increasingly HR will begin to see itself as a business driver rather than an administrative function. Hence, more efforts will be put into tasks such as talent management, HR strategy alignment, succession planning, performance management, ROI measures of HR, people investment analysis and many more. These activities will become critical to create long-term value and growth for customers and shareholders alike.

4.2 SWOT analysis

The HCCS Strategic Workshop held in January 2020 conducted a SWOT Analysis reflecting the following strengths, weaknesses, opportunities and threats:

STRENGTHS	WEAKNESSES
• HC Policies developed by MBHASHE LOCAL MUNICIPALITYNs shared and used by our members • Compliance (internal and external) • HC Practitioners are skilled and qualified with more than a decade of professional experience	• Lack of communication • Human Capital not strategic • Lack of integrated HC systems • Silo mentality within units in HC • Inconsistency in application of HR policies • Clearly articulated HR end to end HR processes
OPPORTUNITIES	THREATS
• Opportunity to bring in new human capital resources with different way of thinking • Positioning of the Human Capital to be more credible and strategic • New ways of working in line with the future of work, emerging trends and the new MBHASHE LOCAL MUNICIPALITY operating model • To profile HC&CS internally • Use of integrated technology to improve efficiency • Use of human capital analytics to inform decision making	• Loss of key talent through the COVID-19 pandemic and to other organisations • Inability to attract the right talent due to inadequate employee value proposition • Inability to keep up with emerging trends and technologies, thereby becoming irrelevant • Outsourcing of the Human Capital function

4.3 Guiding Principles for an effective Human Capital within MBHASHE LOCAL MUNICIPALITY

The principles of an effective Human Capital represent the values and ideologies that the function needs to put into practice to have a positive impact on employees and the organisation as a whole.

The following guiding principles are critical for an effective Human Capital:

• Alignment with the Organisation's Strategic Objectives;

• A high standard of professional ethics

• Maintaining the highest level of confidentiality

• Impartially, fairness and non-discriminatory service to employees and the organisation

• Human Capital should be accessible and accountable

- Providing timely, accessible, accurate and appropriate information
- Right Capabilities for service delivery;
- Implement Fit for Purpose and cost effective HR solutions;
- Participating in decision making structures across the organisation;
- Strategic partnerships with external stakeholders;
- Continuous improvement and renewal of HR services; and

4.4 Our Value Proposition

To enable a work environment that energises employees to perform, learn and grow through progressive, digital, and effective human resource practices, aligned to MBHASHE LOCAL MUNICIPALITY's vision, mission and values, by competent, professional and courteous human capital employees.

4.5 Our Customers

MBHASHE LOCAL MUNICIPALITY has an obligation towards the 257 municipalities that are affiliated to the organisation to fulfil its mandate as spelt out above. In order for MBHASHE LOCAL MUNICIPALITY to deliver on this mandate, different internal clusters, portfolios and provincial offices have to collaborate and contribute to the achievement of different strategic objectives. Training and Develpment's contribution towards this is to ensure that MBHASHE LOCAL MUNICIPALITY has the right talent, enable a high performance culture and memorable employee experiences through the entire human capital value chain.

Thus the primary customers of Human Capital are the current and potential employees and the Leadership team of MBHASHE LOCAL MUNICIPALITY, including the internal and external stakeholders involved in the execution of the Human Capital Strategy. MBHASHE LOCAL MUNICIPALITY's internal customers consist of employees, line management, the Executive Management Team (EMT), and oversight committees, namely the Performance Management & Remuneration Panel (Rempanel) and Audit and Risk Committee (ARC).

The table below depicts the **customers** and type of service that Human Capital provides:

Customers	Expectations from MBHASHE LOCAL MUNICIPALITY HC Department?

Executive management	An active strategic enabler of MBHASHE LOCAL MUNICIPALITY's strategic objectives, through HR policies, practices, processes and that is at the cutting edge of the latest trends
Line Managers	Well-thought through, integrated and effective Human Capital solutions and advisory services that create value and simplify line managers' role in people management.
Employees	An environment that enables learning, growth and an engaged workforce that is empowered to reach its full potential in delivering results to MBHASHE LOCAL MUNICIPALITY
Oversight Committees (RemPanel & ARC)	A principled and ethical Human Capital that is compliant with good governance and legislative requirements

4.6 Other stakeholders of the Training and Development subsection

The external stakeholders of MBHASHE LOCAL MUNICIPALITY Human Capital includes:

- The Department of Labour and Employment;
- The Union;
- Professional bodies; and
- Service providers;

The table below depicts the stakeholders that MBHASHE LOCAL MUNICIPALITY Human Capital interacts and their expectations:

Stakeholders	Expectations from MBHASHE LOCAL MUNICIPALITY HC Department
Department of Labour and Employment	Fair and equitable employment practices, compliance to relevant legislation and reporting requirement
Service providers	Honouring of obligations in line with Service Level Agreements
Professional Bodies	Maintaining professional standards in the execution of the Human Capital role and development of employees
Unions	A safe work environment, fair and equitable employment practices and relations

4.7   Human Capital Strategic Objectives

The Human Capital unit has identified a number of Strategic Objectives that it needs to drive to align itself to and ensure delivery of MBHASHE LOCAL MUNICIPALITY's Strategic Objectives. These are outlined below:

- Define and deliver on MBHASHE LOCAL MUNICIPALITY's employer brand through an Employer Value Proposition to attract and retain the best talent in Local Government
- Develop dynamic talent management strategies to meet MBHASHE LOCAL MUNICIPALITY's objectives and demands of the workforce of the future;
- Digital human capital and workplace processes for increased employee productivity;
- Integrate Human capital data analytics for informed business decision making processes;
- Ensure flexible and effective job and organisation design; and remuneration frameworks that take into account new operating models and reward contribution to organisational value;
- Provide strategic, professional advisory services based on the unique needs within the organisation;

4.8   HR Service Delivery Model

In order for HR to effectively execute and implement its Strategic Objectives, it is important to outline the Service Delivery Model which constitutes the HR Value Chain, HR Service Offerings and the Human Capital Operating Model. It provides a solid framework of the way in which services will be delivered and differentiates between the different roles within HR.

4.8.1 The HC Value Chain

The HR Value Chain reflects an end to end process management of the employee life cycle as illustrated below:

4.8.2 Human Capital Service offerings

The table below is reflects services rendered within HR at MBHASHE LOCAL MUNICIPALITY in line with the objectives outlined above.
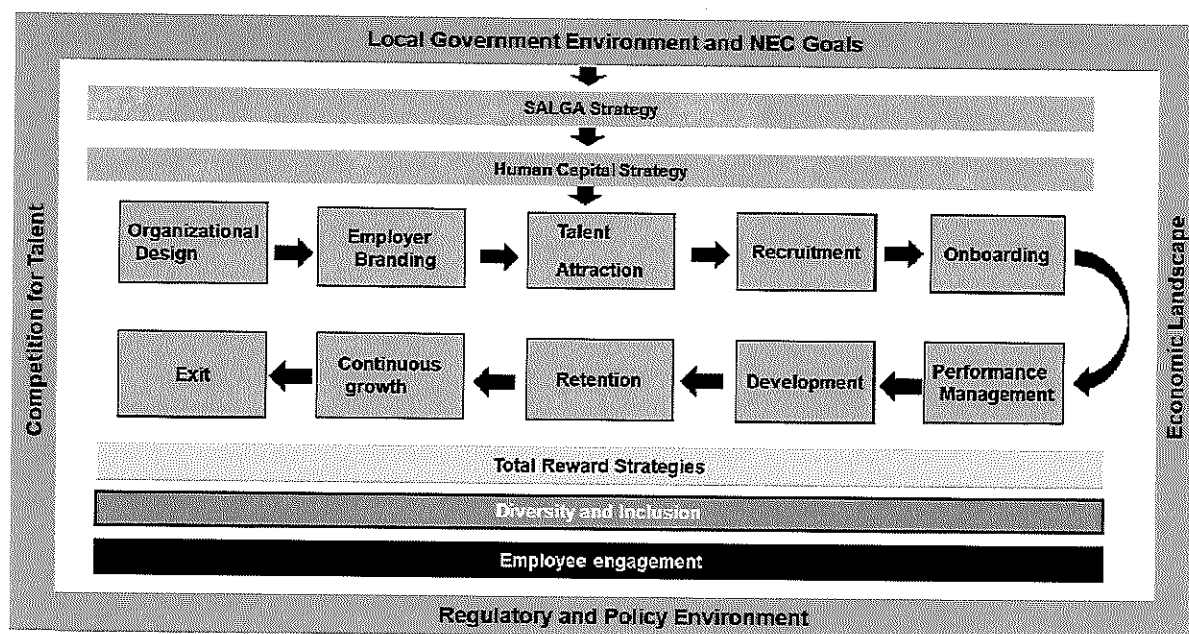
Objective	Service Offerings
Define and deliver on MBHASHE LOCAL MUNICIPALITY's employer brand through an Employer Value Proposition to attract and retain the best talent in local government	Aligning with evolving employee expectations in key areas such as: • Progressive Human Capital Policies • Employee experiences and learning paths through personal and professional development • Diversity and Inclusion Programmes • Facilitating an enabling culture of trust, engagement, empowerment, high performance and accountability • Employee Wellness Programmes that promote and maintain a healthy, dedicated, responsive and productive workforce • Ensure healthy employee/employer relations that promote holistic employee well-being, within safe work spaces; • Consulting and consistently communicating with all key stakeholders matters of strategic importance
Develop dynamic talent management strategies to meet MBHASHE LOCAL MUNICIPALITY's objectives and	• Strategic workforce planning to anticipate and plan for future talent requirements • Proactive talent acquisition using strategic sourcing channels

demands of the workforce of the future	• Effective on-boarding to ensure a shortened transition period • Talent development, mobility and succession management • Leadership Development
Digital human capital and workplace processes for increased employee productivity	• Integrated Human Capital systems and increased employee self-service • Streamlined human capital processes for efficiency • A job framework (capabilities, job families, roles and pay) based on the new operating model and disruptive automation technology • Re-skilling of employees that may be by deployment technology • Agile Human Capital Operating model to focus on capabilities, effective governance, best fit technology
Integrate Human capital data analytics for informed business decision making processes	• Ensure investments in Human Capital technology include robust data analytics and visualisation capabilities • Recruit and/or develop Human Capital talent with quantitative data modelling skill set, and the ability to interpret data and understand its business implications
Ensure flexible and effective job and organisation design; and remuneration frameworks that take into account new operating models and reward contribution to organisational value;	• Flexible Total Cost To Company structures • Market related Remuneration Framework • A Performance Management Framework that aligns all employees to organisational objectives and rewards contribution to organisational value • A total Reward Framework that includes non-monetary rewards
Provide strategic, professional advisory services based on the unique needs within the organisation;	• Strategic Business Partnering to the different Clusters and Provincial offices within the organisation • Manager HR Related Risk and Compliance • Continuously reinvent human capital capability to ensure relevant and effective service delivery.

4.8.3 Human Capital Operating Model

An Operating Model reflects how HR services and functions are clustered and organised for effective Service Delivery. This Operating model is informed by the Organisation Design Principles developed by the Human Capital Leadership team.

4.8.3.1 The Organisation Design Principles

- The Human Capital Operating Model is designed such that there is increased focus on the customer
- The design seeks to balance administrative work with strategic service offerings;
- Ensuring a single point of accountability;
- Integration and interconnectedness of activities across the value chain;
- Ensuring the right job levels based on theme of work, levels of work, workload, scope and content; and
- Creating more meaningful role for better contribution to the organisation and professional satisfaction
- Ensuring the balance between system and human interaction in the execution of the human capital strategy

4.8.3.2 Human Capital Operating Model

Below is the Human Capital Operating Model based on the Organisation Design Principles:

4.8.3.3 HR roles and core competencies

Below are the four key types of HR roles associated with the HR Operating Model, each with a set of core competency:

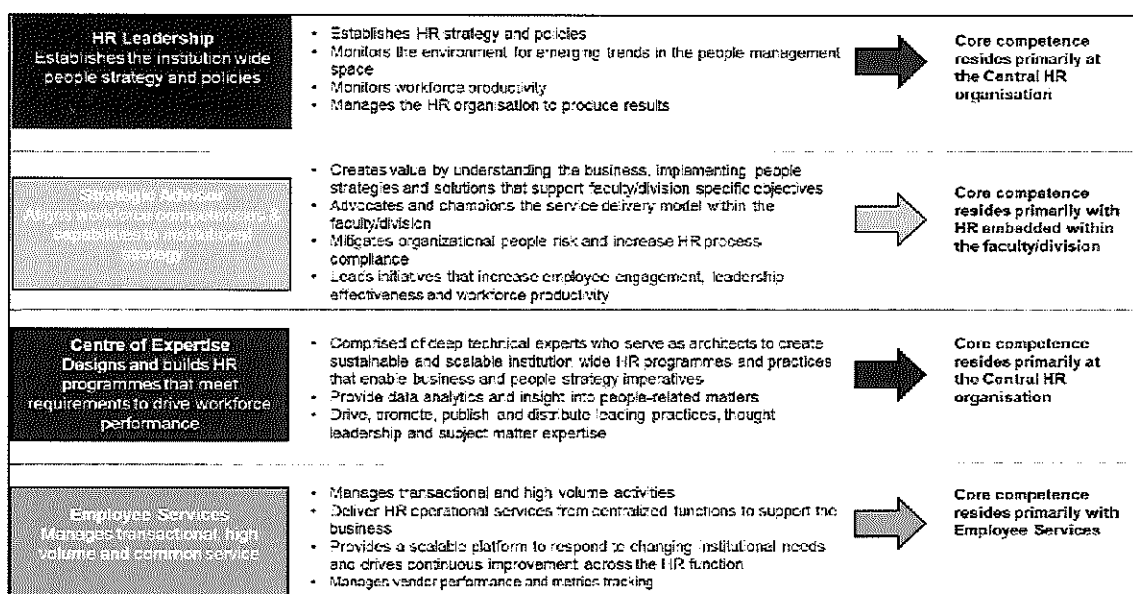|		
HR Leadership Establishes the institution wide people strategy and policies	• Establishes HR strategy and policies • Monitors the environment for emerging trends in the people management space • Monitors workforce productivity • Manages the HR organisation to produce results	Core competence resides primarily at the Central HR organisation
(Strategic Business HR Managers work with client divisions)	• Creates value by understanding the business, implementing people strategies and solutions that support faculty/division specific objectives • Advocates and champions the service delivery model within the faculty/division • Mitigates organizational people risk and increase HR process compliance • Leads initiatives that increase employee engagement, leadership effectiveness and workforce productivity	Core competence resides primarily with HR embedded within the faculty/division
Centre of Expertise Designs and builds HR programmes that meet requirements to drive workforce performance	• Comprised of deep technical experts who serve as architects to create sustainable and scalable institution wide HR programmes and practices that enable business and people strategy imperatives • Provide data analytics and insight into people-related matters • Drive, promote, publish and distribute leading practices, thought leadership and subject matter expertise	Core competence resides primarily at the Central HR organisation
Employee Services Manages transactional, high volume and common service	• Manages transactional and high volume activities • Deliver HR operational services from centralized functions to support the business • Provides a scalable platform to respond to changing institutional needs and drives continuous improvement across the HR function • Manages vendor performance and metrics tracking	Core competence resides primarily with Employee Services

4.8.3.4 Centres of Expertise

The Centre of Expertise is the hub of expertise that enables Human Capital to provide in-depth analysis of Human Capital trends, develop policies and best practices that anticipate the Organisation's needs, as well as to implement suited HR processes to increase efficiency in service delivery. This unit comprises of tasks such as Organisation Design, Reward and Remuneration, Employee Relations and Wellness, and Recruitment. The following is an overview of accountabilities of each section:

4.8.3.4.1 Organisation Development

To oversee and guide the institution in relation to the Organisation Design Framework and Organisational Development, Learning & Development as well as management of change. Other related tasks include: Workforce planning, Job Evaluation, Performance management, Talent management, and Leadership development

4.8.3.4.2 Remuneration and Rewards (Outsourced)

To provide the Leadership with remuneration and rewards best practices that will enable the institution to have a competitive edge within the higher education sector as well as to position the organisation as an employer of choice. This will be accomplished through the development and implementation of sound Reward Philosophy and related practices such as, Benchmarking, Salary Comparisons, and Data analysis. The division will also perform

functions such as Salary Calculations, Performance bonus payments, annual increases, Data submission for benefits purposes, management of benefits and Model Evaluation

4.8.3.4.3   Employee Relations

To ensure a sustainable and harmonious relationship between the institution, as the employer and employees (collectively and individually). This is accomplished through the development and implementation of policies and procedures that comply with labour and related legislative frameworks. The unit will further ensure adherence to relevant Legislation and related policies, dispute resolution (internal & external), and Consultation / Negotiations with relevant stakeholders.

4.8.3.4.4   Employee Wellness

To demonstrate that the organisation cares about employee wellness, in so doing, this will help in increasing productivity, employee engagement and satisfaction.

Employee wellness addresses individual and organisational wellness in a proactive manner. It is the promotion of the psycho-social, occupational, spiritual, intellectual and physical wellness of employees. This will be attained by creating an organizational climate and culture that is conducive to comprehensive identification of psycho-social health risks, awareness programmes and an environment that fosters productivity, through the provision of cost effective and appropriate wellness services and interventions that are best suited for the employee's needs.

4.8.3.4.5   Talent Management

To ensure the 'best-fit' resources are placed according to organisational needs as well as to ensure that the institution is adequately resourced ahead of demand, with the right skills and competencies. This will be achieved through the development and implementation of efficient and effective resourcing policies and strategies, compliance and cutting-edge on-boarding program that meets the organisation's strategic direction.

4.8.3.4.6   Business Partnering

Human Capital Business Partnering assumes a role of a strategic partner to different environments (clusters and units) within the organisation. The role provides HR solutions

that are tailored for a specific environment in the delivery of its key functions within the organisation. Business Partnering further manages the employee value chain from entry to exit; relationship management with "all" clients (Executives, Staff, Candidates etc.); management of risk – environmental scanning and compliance; support and align clusters/units in obtaining organisation's strategic plans; interpret data in a meaningful way; and provide workforce data analytics to assist decision making. This will be attained through sufficient visibility of the HRBP, frequent and meaningful communication in providing HR solutions to the client coupled with good governance.

4.8.3.4.7   Employee Services

HR Shared Services will be primarily responsible for executing common repetitive, shared by all employees, administrative and transactional activities. The Shared Services will need advanced technology to automate HR transactional processes and support the HRBP's & COE's. Excellence in service delivery will the achieved through data analytics. The unit will further enable integrated management reporting, develop and establish functional standards for HR record keeping, administration & data management, centralisation of HR admin of all the COE's and perform quality assurance functions.

5.   KEY SUCCESS FACTORS FOR THE IMPLEMENTATION OF THE HC STRATEGY

The following four (4) critical success factors have been identified for the implementation of the Human Capital Strategy:

SUCCESS FACTOR	MEANING FOR MBHASHE LOCAL MUNICIPALITY
Leadership	Leadership sponsorship, support and resourcing of the strategy is critical for the successful implementation of the strategy.
Investment in Technology	The requisite investment into the right technology will be a key enabler of the Human Capital Strategy
Human Capital Talent	Also, by developing the skills and abilities of the HC employees, MBHASHE LOCAL MUNICIPALITY can assure the highest achieved benefits for the organization.
Organization-wide adoption	Organisation-wide adoption of the Human Capital strategy will ensure an uptake and successful implementation of the initiatives tabled in this document

6. MEASUREMENT AND EVALUATION

The implementation of the MBHASHE LOCAL MUNICIPALITY Human Capital strategy will be monitored and evaluated throughout its lifetime by the institution's Executive Management Team (EMT) who will receive regular reports and updates on progress. When reviewing progress towards achieving the Human Capital strategic goals and objectives, the EMT should:

a) Take into account internal and external changes which may require changes to the organisation's and/or the people strategy or affect the organisation's ability to achieve its goals and objectives.

b) Ensure that activities are consistent with MBHASHE LOCAL MUNICIPALITY's vision, mission and values; and

The effectiveness of the Human Capital Strategy will be measured using some of the metrics below. It should be noted however that the list is not exhaustive, but rather an illustration.

HR Key Performance Indicator Dashboard

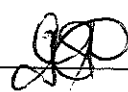| Criteria	Measure	Description	Result	Target	Variance to target
Headcount	Number of FTEs and EE	Changes in workforce numbers and hours utilised by employee category			
Recruitment	% new hires achieving x months service	Staff retention performance throughout the organisation			
	Average time to fill a vacancy (days)	Recruitment performance throughout the organisation			
Training & Development	Average training hours per employee	Time commitment to staff training and development			
	% training course participant satisfaction	Participant satisfaction with training courses provided			
	Training spend	Average Rand value training spend on employee			
Succession Planning	% of internal appointments above level	Succession planning effectiveness			
	Cover ratio for critical jobs	% retention of successors in critical jobs			
Performance Management	% of appraisals completed on time	Performance management effectiveness throughout the organisation.			
	% of individual training plans completed				
	% training course participant satisfaction	Participant satisfaction with training courses provided			
	Training spend	Average Rand value training spend on employee			
	% of individual training plans completed				

7.   CONCLUSION

The initial impact of HC practices is on what employees have and feel. Recruitment, selection, training and development are all aimed at bringing in or building certain skills, enabling employees to effectively perform their jobs. In addition, their experience with these practices, along with rewards, performance management and communication, shapes employees' perceptions of the organisation's fairness and desirability and those perceptions then influence their commitment, motivation and engagement.

There is a need for a change of mind-set in MBHASHE LOCAL MUNICIPALITY HC to become influencers rather than reactors. It is crucial to listen to, invest in, and actively manage the trends that are shaping the world today where collaboration is important at all levels of the organisation.

This is significant for HC to fundamentally reinvent its human capital programmes, policies and processes so as to achieve a new way of working and develop a culture of high performance. The implementation of this strategy is a positive step towards the desired result of adding value to the organisation as a strategic partner.

POLICY GOVERNANCE

TRAINING AND DEVELOPMENT STRATEGY

Policy Title	TRAINING AND DEVELOPMENT STRATEGY	
Policy Version		
Role & Process	**Responsible Individual Name and/or Date**	**Responsibility Accepted Signature**
Senior Manager Corporate Services	**Ms N. Mahlati- Nkuhlu**	
Policy Custodian		
Policy Author		
LLF Consultation Date		
LLF Consultation Reference		
Council Approval Date	26|05| 2024	
Council Approval Reference		
(UNIT) eg. Manager Human Resources	**N. Hanise**	
Policy Approved		
Policy Inception Date		

Review Start Date		
Review Completion Date		
Legislative References		
Policy Review "Triggers"		
Comments		