



RHODES UNIVERSITY
Grahamstown • 6140 • South Africa

Scarcity Allowance for Support Staff

Protocol

Responsible Committee/Unit/Division/Faculty	HR
Responsible Chairperson/Director/Manager	Director of HR
Date	June 2012
Status	April 2022: Confirmed by HR to be current





Protocol relating to the payment of Scarcity Allowances For SUPPORT STAFF

1. Background

During 2009, the University sought to improve support staff remuneration. The principles of internal equity and external equity were critical to this exercise. With regard to issues of internal equity, effective 1/01/2009, all support staff remuneration shifted to particular comparative ratios. Further market adjustments took place in 2010 and 2012 including an allocation for a market adjustment in 2011.

In 2009, the University recognised that in terms of external equity for particular jobs, the comparative ratios achieved still are of concern in terms of retaining and attracting staff in particular areas. These are typically those in scarce skills areas. As part of the support staff market adjustment strategy, money was allocated for scarcity allowances to address this very issue. Scarcity allowances were first paid in 2009 to support staff and have continued to be paid since. A review of support scarcity allowances took place in 2012.

Please note that this protocol only deals with scarcity allowances for support staff. A separate protocol exists for scarcity allowances for support staff. It is similar in many respects.

2. Principles governing scarcity allowances

The following principles apply:

- a) The University is committed to paying all of its staff at the 50th percentile within the higher education sector with the context of affordability. Given limited resources, this is proving difficult. For this reason, comparative ratios amongst support staff, particularly at higher grades, remain problematic;
 - b) The scarcity allowance is paid on the premise that current levels of remuneration for certain support staff posts makes it particularly difficult to attract and retain these staff. This is experienced within the entire higher education sector and is not specific to Rhodes University. The institution may however find the attraction of staff more difficult because of our geographic location. As such this poses a risk for the viability of the institution and needs to be addressed;
 - c) Premiums paid on certain jobs in the Higher Education sector because of the scarcity of skills may change over time. Therefore, the allowances are not part of the individual's guaranteed remuneration;
 - d) Comparative ratios for scarcity allowance disciplinary areas will be determined e.g. people working within professional roles in Information Technology will be paid at a particular comparative ratio on their basic salary;
 - e) The review of scarcity allowances comparative ratios (i.e. the allowances paid per disciplinary area) including which areas receive such allowances will take place every two years. Where the remuneration data shows that the premiums being paid in certain areas is decreasing over time, this will impact the comparative ratios for these disciplinary areas;
 - f) Individual scarcity allowances however will be reviewed each year and any changes will be effective from 1 July of each year. This will allow for the assessment of scarcity allowances relative to changes in individual compa ratios following the annual and market adjustments;
 - g) The scarcity allowance is paid monthly as a non-pensionable allowance, but specifically called a scarcity allowance and will be reflected as such in remuneration letters and on the person's payslip;
 - h) The allowance is paid subject to affordability and a contractual obligation is only made to the staff member for one calendar year;
- and
- i) This scarcity is to be differentiated from a premium which is paid on the basis of attracting equity candidates. An equity candidate in a scarce skill area could potentially earn both the premium and the scarcity allowance should this be necessary in terms of external equity.

3. Process of determining the allowance

In the process of determining the scarcity allowances, attempts have been made to balance internal (fairness amongst the staff receiving such allowances) and external equity (providing competitive remuneration in relation to what other HE institutions are paying).

The process was as follows:

- a) A protocol was drawn up and presented and agreed to by senior management in June 2009;
- b) The protocol was given to the unions for comment. NTESU(now NTEU) sought clarification and the protocol as updated to provide such clarity. NEHAWU did not provide comment;
- c) The protocol was also distributed on the hod-list (electronic communication channel), inviting comment. None was provided;
- d) HODs were asked to submit recommendations of jobs/individuals who/which posts should be considered for scarce skills;
- e) The HR Division consulted three sources of information to verify the above information:
 - Critical skills questionnaire completed by the Deans and Directors in the institution earlier in 2009 and submitted to the ETDP SETA;
 - Department of Labour listing of scarce skills; and
 - An analysis done by Remchannel comparing remuneration at the 50th percentile of various job against grade e.g. remuneration of Systems Analysts on grade 10a compared to the average for jobs graded 10a. This analysis was done in the HE and national market.
- f) On the basis of the above information, HR either confirmed or disconfirmed the HOD's input and identified further areas not identified by the HODs. In the case of the latter, HR went back to these HoDs to ask for their input as to whether or not these areas were regarded as scarce;
- g) Once areas and posts were identified as potentially scarce, the HOD was asked to confirm if the person was meeting the requirements of the job to the required standard. The protocol states that the allowance would only be paid if the person was contributing;
- h) For those individuals in scarce skills areas and who were performing, the current compa ratios of each person were established. This was necessary as some individuals in the last year have been recruited on higher salaries than those at Rhodes. Others had due to previous remuneration dispensations been earning a premium. This measure sought to achieve better internal equity. On the basis of relative scarcity, senior management agreed on the desirable compa ratio for the job;
- i) If the person is already at the level of the proposed compa ratio, then s/he would not be paid a scarcity allowance. For example, if the proposal for Systems Analysts at grade 11 is to pay at the compa ratio of 87% but a person in that job is already being paid at the 90% compa ratio, that person would not receive a scarcity allowance;
- j) In a meeting with senior management, a decision was taken as regards the proposed compa ratio;
- k) Directors and Deans were asked to communicate the decision to individuals concerned;
- l) Where Directors or HoDs had indicated that non-performance is occurring, the Director or HoD was required to communicate this to the staff member concerned;
- m) Details were finalised and staff received letters in December 2009. The allowance, back-paid to January 2009 was paid in December 2009;
- n) Increases to scarcity allowances have taken place in 2010 and 2011;
- o) A review of scarcity allowances took place in 2012. The same principles as outlined in e and i above were used. The proposal was taken to senior administrative management on the 20th of June 2012 and approved.

4. Process of consultation and decision-making

The following process was followed in determining these allowances:

- a) Senior management participated in the initial determination of scarcity allowances for 2009;
- b) Since then the annual adjustments have applied;
- c) The decision to conduct a review in 2012 was also discussed with senior management and NTEU. A sub-committee has been tasked with doing the preliminary work in this regard;
- d) NTEU were advised of the outcome of the review.

5. Payment of allowances

The payment of allowances was effective from 1 January 2009.

Written: Director, HR
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