

PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM POLICY

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1. DEFINITIONS

All key words and conceptions contained herein are as defined in the relevant legislation and in these definitions unless the context indicates otherwise:

Audit Committee -	A committee of the municipality established in terms of the relevant provisions of the Municipality Finance management Act, No 56 of 2003 Consumers -The members of the community of Matatiele Local Municipality and the recipients of the municipal services.
Individual Manager-	A person employed as a Manager for a particular unit or organisational component.
Service Users -	Same as Consumers
Work Teams -	A group of employees who are performing the same or similar functions on a continuous basis.
Performance Management –	A process used by the Municipality to evaluate System organizational and its individual performance against the goals and objectives set out on the IDP.
Municipality –	Refers to the Matatiele Local Municipality (MLM).
Levels/Grades -	Skills levels. Level 1: Basic skills (Grade 1-3); Level 2: Discretionary skills (Grade 4 – 8); Level 3: Specialized skills (Grade 9 – 13); Level 4: Tactical Skills (Grade 14 – 18); and Level 5: Strategic skills (Grade 19 – 26).
General Manager-	Head of Department/Section 56 Manager.
Panel -	Members that are in a committee assessing an individual employee or group of employees.
KPA -	Key Performance Area
KRA -	Key Responsibility Area.
Financial year -	means the financial year of a municipality commencing from 1 July each year and ending 30 June on the following year.
Senior Manager-	means a municipal manager or acting municipal manager in terms of the Section 54 A of the Act and includes a manager directly accountable to a municipal manager appointed in terms of Section 56 of the Act.
IDP -	Integrated Development Plan
SDBIP -	Service Delivery Budget Implementation Plan.

2. PREAMBLE

The Municipality recognizes the significance of having a performance management system not only as a legal requirement in terms of the applicable laws, but as an important instrument of corporate governance which aims at ensuring that a process of goal setting in the work place is followed by a systematic success measuring process. This policy has been formulated against a need for formalizing the process and strategy for managing both organizational and individual performance. The noble goal of achieving excellent standards of performance will be realized through introduction and injection of a systematic set of rules and standards of performance in the work place.

3. OBJECTIVES

- 3.1 To give effect to chapter 6 of the Local Government: Municipal Systems Act (32 of 2000), as amended.**
- 3.2 To effect compliance with the Municipal Planning and Performance Management Regulations of 2001 and Performance Management Regulations, 2006.**
- 3.3 To conform to the Performance Regulations of 2006 for section 57 employees.**
- 3.4 To give effect to other legislative, regulatory and policy requirements including, but not limited to, IDP, MFMA, Batho Pele principles and 1998 White Paper on local government.**
- 3.5 To set a scene/platform for management and monitoring of organizational and individual performance.**
- 3.6 To set rules, regulations and standards for effective and successful management of performance in the work place.**
- 3.7 To provide a framework for managing work performance with a purpose of paying performance Bonuses/performance appraisals where applicable.**
- 3.8 To provide for handling a dispute arising from a performance management process.**
- 3.9 To provide a mechanism for managing and dealing with sub-standard work or poor performance in the workplace.**

4. APPLICATION OF THIS POLICY

- 4.1 This policy will apply to all employees of the municipality except casual employees and employees hired for less than three months**
- 4.2 This policy will be applicable from the date of adoption by the Council.**
- 4.3 There will be no special exemptions from compliance with this policy.**

5. PERFORMANCE MANAGEMENT ETHICS AND PRINCIPLES

- 5.1 A Performance Management and Development System is set to maximize output arising from utilization of employees in the work place.**
- 5.2 Performance management is established and operated in order to unlock potential for both organizational growth and employee development.**
- 5.3 Performance management is intended to generate organizational focus and employee motivation in rendering services.**
- 5.4 Performance assessment is conducted with the maximum honesty and confidentiality.**

- 5.5 Optimal performance of both the organization and the individual is one of the most important principles of performance management.
- 5.6 Tracking and managing performance is the most important principle
- 5.7 Identification of performance gaps and provision of intervention measures are cornerstones of performance improvement.
- 5.8 Employees must receive fair evaluations and their performance should be managed in an appropriate and satisfactory manner.
- 5.9 There must be no favouritism and bias in assessing employee performance.
- 5.10 Excellent performance is rewarded accordingly, whilst intervention measures to address bad/under performance are effected without delay.

6. ORGANISATIONAL PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

- 6.1 The Municipality shall develop a Performance Management and Development System based on the prescripts contained in the legal framework for the Performance Management System.
- 6.2 The Municipality shall set targets and monitor and review the performance of the Municipality based on indicators linked to the Integrated Development Plan (IDP).
- 6.3 The Community shall be involved in setting indicators and targets and reviewing municipal performance.
- 6.4 The Municipality shall table and publish an Annual Performance Report on performance of the Municipality forming part of its Annual Report as required by the Municipal Finance Management Act (53 of 2003) (MFMA).
- 6.5 The Performance Management and Development System shall be based on the performance standards known as national key performance indicators prescribed by the Department of Provincial and Local Government.
- 6.6 The Municipality shall on a continuous basis review its performance standards preferably on an annual basis as part and parcel of overall audit and assessment of performance measures.
- 6.7 Determination of the organizational performance framework and standards in terms of the legal requirements shall be driven and facilitated by the Strategic Governance unit of the Municipality.
- 6.8 The performance of the Municipality shall be subjected to audit by the Municipality's Audit Committee and the Auditor-General.
- 6.9 The organizational Performance Management and development System shall constitute a basis for development and management of individual performance standards from the Municipal Manager down to the work teams.
- 6.10 Finally, the organizational performance management framework shall constitute the strategic level of performance and set an inclusive scene/ platform for springing up of a service delivery focused and oriented culture of performance mainly characterized by active participation of stakeholders and constant receipt of feedback from the service users or consumers.
- 6.11 The Municipality shall set aside annual funding for an organizational strategic planning workshop.
- 6.12 The strategic workshop shall be held in each financial year before the commencement of the new financial year and before finalization of the new budget and the

reviewed/new IDP.

7. DEPARTMENTAL PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

- 7.1 Each Department shall draw up its annual departmental performance management framework based on the Integrated Development Plan, Performance Management Framework, Strategic Plan and Service Delivery and Budget Implementation Plan (SDBIP).**
- 7.2 The Departmental Performance Management and Development System shall be driven and championed by the Head of the Department.**
- 7.3 The Departmental Performance Management and Development System shall set an enabling performance environment for the efficient and effective utilization of employees within the Municipality.**
- 7.4 The Departmental key performance areas, objectives, indicators, targets and results shall be formulated by the General Manager or through a Departmental workshop.**
- 7.5 The Municipality shall set aside an annual funding for departmental workshops to take place immediately after the adoption of the budget and the IDP for formulation of annual departmental performance plans.**
- 7.6 The effective management of performance at a unit and individual levels shall be the responsibility of the head of the department or unit.**
- 7.7 The Head of the unit shall ensure that employees complete tasks assigned to them within the context of a Performance Management System.**

8. INDIVIDUAL PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

- 8.1 The individual Performance Management and Development System will be largely informed by and based on the organizational and Departmental Performance Management System.**
- 8.2 Appointment of individual managers shall be based on performance contract so as to enhance the culture of accountability and performance within the Municipality.**
- 8.3 The practice of appointing managers on performance contract shall be extended to the managers reporting to the Heads of Department and up to skills level 4 & 5 or equivalent level employees.**
- 8.4 Annual Performance Contracts or accountability agreements or undertakings /promises /performance plans shall be concluded and signed between the person responsible for managing the performance of a particular employee and that employee, and such will be preceded by a signed Job Description of individual employee.**
- 8.5 Performance of Section 57 (i.e. 54 & 56) employees shall be strictly managed according to the 2006 Performance Management regulations issued by the Department of Provincial and Local Government.**
- 8.6 Performance standards and measures for each employee shall be set according to the pre- determined performance values and criteria for the Unit and the post.**
- 8.7 Performance management shall be pursued in order to identify performance gaps, deficiencies, and good performance for the purpose of making interventions and awarding rewards where necessary.**

- 8.8 Employees shall be informed both verbally and in writing of what is expected of them in their jobs.**
- 8.9 The employees shall be assessed according to the competency model which entails job knowledge, skills, attributes and set performance standards, objectives and targets.**
- 8.10 Critical training needs will also be established through this process.**
- 8.11 Employees will be entitled to receive regular feedback on their performance from their superiors.**
- 8.12 In return, employees have a moral duty and obligation to perform their duties in terms of the set performance standards and job description without failure.**
- 8.13 Rendering of services by employees in the most efficient, economical and effective manner will lead to judicious delivery of the right quality and quantity of output at the correct time.**
- 8.14 Individual performance assessments shall be done twice a year for all Managers and in respect of all other deserving employees.**
- 8.15 Individual performance assessment may be done quarterly for all employees from TASK grade 14 and below, but for quarter one and quarter three, assessments may be done by the respective Supervisors, and not through a formal panel, as per Clause 10.19 to 10.21 below.**
- 8.16 Performance assessment may be done on a collective or team basis on TASK grade 7 downwards due to a big number of employees and subject to agreement with affected employees.**
- 8.17 The Municipality shall establish a Performance Management and Development System (PMDS) Sub Unit within the Corporate Services Department to drive the individual performance management programme of the Municipality.**
- 8.18 The PMDS sub unit shall be responsible for co-ordination of individual performance management from probation stage of personnel utilization through the entire life cycle of personnel utilization within the institution.**
- 8.19 The PMDS sub unit shall be responsible for recording the proceedings of performance assessment sessions at all times.**
- 8.20 The PMDS sub unit shall be the custodian and a place/point of reference for all working/current records of individual performance management subject to compliance with the requirements of the Municipal records and information management policy.**
- 8.21 The PMDS sub unit shall be responsible for managing and coordinating performance management in respect of provision of outstanding performance awards and payment of performance bonuses and/or incentives to the respective employees.**
- 8.22 The PMDS sub unit shall be responsible for facilitation and/or institution of poor performance counselling proceedings as may be required in terms of feedback from various service users from time to time.**
- 8.23 The institution of disciplinary proceedings arising from continuous poor work performance will be referred to the HRM Unit: Labour Relations Office within the Corporate Services Department of the Municipality.**

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8.24 Clause No.8.23 above shall be dealt with through provisions for incapacity proceedings.

9. PROBATION MANAGEMENT SYSTEM

- 9.1 A newly appointed employee for a period of not less than 12 months will be required to serve a three - month-probation period prior to confirmation of employment and must have a signed performance contract/plan within two months from the date of assumption of duty.**
- 9.2 Probation shall apply to contract employees as well, including performance contract employees, but the probation period for Section 57 performance contract employees shall be twelve (12) months and dealt as per the conditions of employment in their contracts of employment**
- 9.3 Employees hired for a period of less than 12 months but not less than three months, will be required to serve a probationary period of two to three months prior to confirmation of employment.**
- 9.4 Employees hired for a period of less than three months will not be required to serve probation.**
- 9.5 During probation, employees shall be given an opportunity to demonstrate performance up to the standards expected of them and be provided with appropriate feedback, assistance and support to achieve them.**
- 9.6 The new employee and his or her supervisor will discuss formally or informally the required performance levels within the first month of employment in an effort to lay a sound foundation for tracking performance.**
- 9.7 Performance of employees on probation for a three month-period shall be assessed on a monthly basis.**
- 9.8 The Municipal Manager shall be responsible for approval and confirmation of satisfactory completion of probation by each employee of the Municipality.**
- 9.9 Upon successful completion of probation the employee will be issued with a letter of confirmation of employment from the Corporate Services Department.**
- 9.10 An employee who demonstrates unsatisfactory performance at the end of his/her probationary term of three month-period may be put on an extended probation of more than three months or have his or her services terminated, should there be no hope of performance improvement.**
- 9.11 An employee shall be afforded a poor performance/conduct hearing prior to the extension of probation or termination of services as contemplated in clause No 9.10.**
- 9.12 An employee afforded a poor performance/ conduct hearing during the probation process shall be entitled to representation by a shop steward or a fellow employee of his or her choice.**
- 9.13 An employee put on extended probation shall be assessed on a monthly basis.**
- 9.14 Probation monitoring shall encompass both conduct and performance of an employee.**
- 9.15 Notwithstanding the clause No. 9.10, termination of services on grounds of misconduct shall be preceded by institution of disciplinary proceedings, against the employee.**
- 9.16 Employees who are placed and seconded within the municipality shall not serve probation period.**

10. PERFORMANCE MANAGEMENT CYCLE

- 10.1 Performance expectations for the Section 56 employees shall be set once in a financial year prior to the commencement of the new financial year.**
- 10.2 Performance of the Section 56 Managers shall be assessed two times in a financial year, that is, bi - annually.**
- 10.3 Each Section 56 employee shall prepare a performance report according to the performance indicators and targets set out in the performance contract at the end of a three month-period.**
- 10.4 Performance expectations for General Managers, Middle Managers, Coordinators /Chief Officers and levels lower than shall be set in the beginning of each financial year and may be reviewed in the six month-cycle in each financial year.**
- 10.5 Performance of the Municipal Manager, General Managers and Unit Managers shall be done twice a year, and Coordinators/Chief Officers shall be assessed in four times per year, i.e. quarterly.**
- 10.6 Each Unit Manager, and Coordinators/Chief Officers shall prepare a quarterly performance report based on his or her performance contract or agreement at the end of each three month-period.**
- 10.7 Performance of the other employees shall be assessed on a quarterly basis by their individual supervisors according to the set performance standards and objectives.**
- 10.8 A standard performance review form or reporting template shall be completed by the employees on performance management to give an account of his/her performance according to the set performance targets at the end of each quarter.**
- 10.9 Unskilled and semi-skilled employees will not be required to complete a performance reporting template; their performance will be assessed on the basis of oral information provided.**
- 10.10 Employees shall be assessed individually for their performance by their immediate superiors in a formal or informal setting for quarterly performance preceding the mid-year and annual performance reviews.**
- 10.11 Once a performance report has been forwarded to the manager or the supervisor a meeting must be scheduled for the discussion of the report.**
- 10.12 Employees who are not required to write their performance reports will be advised in writing to attend their oral performance assessment sessions.**
- 10.13 In this meeting, agreements and disagreements around performance issues shall be agreed upon between the employee and manager /supervisor and will be recorded.**
- 10.14 Disagreements and disputes pertaining to performance for Section 57 employees will be dealt with in terms of the 2006 Regulations for Municipal Managers and Managers directly accountable to the Municipal Managers.**
- 10.15 Any other performance dispute/disagreement affecting any employee shall be referred to a performance dispute resolution tribunal set up by the Municipal Manager for the purpose of resolving that particular dispute.**
- 10.16 Performance reports or records of performance shall be subjected to ratification and acceptance with or without alterations by the respective performance evaluation panel.**

10.17 The annual and mid-year performance review of the Municipal Manager shall be assessed and ratified by an evaluation panel made up of the following members:

10.17.1 The Mayor.

10.17.2 The Chairperson of the Performance Audit Committee or Audit Committee.

10.17.3 A Member of the Executive Committee member appointed by the Council.

10.17.4 Mayor and/or Municipal Manager from another municipality.

10.17.5 Ward Committee member, as nominated or identified by the Mayor.

10.18 The Performance Assessment Panel for Senior Managers directly accountable to the Municipal Manager, for the annual and midyear performance shall be constituted in terms of section 27 (e) of Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, and shall be as follows:

10.18.1 The Municipal Manager.

10.18.2 The Chairperson of the Performance Audit Committee or the Audit Committee;

10.18.3 A Member of the Executive Committee appointed by the Council; and

10.18.4 The Municipal Manager from another municipality.

10.19 The Performance Assessment Panel for all the Unit Managers directly accountable to the senior or General Managers, for the annual and midyear performance shall be constituted up of the following members:

10.19.1 Two General Managers, being

10.19.1.1 The General Manager: Corporate Services

10.19.1.2 The General Manager from the department where the employee comes from

10.19.2 The General Manager from the Department where the employee comes from to be the Chairperson of the panel.

10.19.3 One Audit Committee Member as decided upon by the Audit Committee.

10.20 The Manager responsible for human resources of the municipality must provide secretariat services to the evaluation panels referred to 10.17; 10.18; & 10.19 above, as provided for in terms of regulation 27 (f) of Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers.

10.21 The annual and midyear performance review for all other employees not mentioned on 10.17 to 10.19 above and/or employees on TASK grade 15 to 07 shall be assessed and ratified by the following Panel:

10.21.1 Three Unit/Division Managers, being

10.21.1.1 The Manager: Human Resources Management (HRM)

10.21.1.2 The Manager of the Unit/Division from the department where the employee comes from.

10.21.1.3 One other Unit/Division Manager.

10.21.1.4 In a case where there is immediate supervisor other than Unit Manager in the Unit where the employee comes from, immediate supervisor must be part of the panel instead of Unit Manager from another unit as per clause 10.21.1.3 above.

10.21.2 The Manager of the Unit/Division, where the employee comes from to be the Chairperson of the panel

510.22 The Performance Management Practitioner responsible for Individual Performance Management within the municipality must provide secretariat services to the evaluation panel referred to 10. 21 above.

- 10.23 Notwithstanding Clause No 10.19, the Municipal Manager shall choose one of the General Managers to stand for him or her when the performance of the Unit Manager within the Office of the MM is assessed; such chosen General Manager shall be the Chairperson of the performance assessment proceedings.**
- 10.24 The performance assessment panel for annual and midyear performance of all other posts or positions other than those mentioned in the preceding clauses and/or employees on TASK Grade 07 and below shall be constituted as follows:**
 - 10.24.1 The Performance Management Practitioner and/or Designated HR Official**
 - 10.24.2 The Immediate Superior of the employee**
 - 10.24.3 The Immediate superior shall chair the performance assessment proceedings**
- 10.25 An Official from Human Resources Management: Corporate Services Department within the municipality must provide secretariat services to the evaluation panel/s referred to 10. 24 above.**
- 10.26. In the absence of the member of panel due to the vacancy of the position, the acting person shall replace such person in the panel.**
- 10.27 Any member of the panel shall prioritize attendance of the performance assessment sessions.**
- 10.28 Should a member of the panel be unable to attend a particular performance assessment session, he/she shall choose a person to represent him/her provided such person's status is equivalent to that of his/her's in terms of this policy and 2001 Regulations.**
- 10.29 The quorum for each performance assessment panel to sit and conduct its business in terms of the 2001 regulations and this policy shall be 50% plus 1 in any given situation.**
- 10.30 If the dispute contemplated in clause No 10.15 is not resolved, the normal grievance or applicable disciplinary procedures shall be followed in resolving the matter.**

11. INDIVIDUAL PERFORMANCE CONTRACT SIGNING AND REPORTING

- 11.1 The performance agreement of a serving staff member must be concluded within 30 days of the commencement of the new financial year of the municipality; and staff member must be concluded within 60 days of his or her appointment after probation as from 1 July of the new financial year; his or her transfer or promotion to a new post; or his or her return from prolonged leave that is more than three months.**
- 11.2 A person employed for a period of three months and below before the end of the financial year may not be required to sign the performance agreement or plan.**
- 11.3 A maximum of three opportunities will be given to incumbents for necessary review failing which an incumbent will be deemed to have waived his/ her right.**
- 11.4 Notwithstanding clause 11.3 above, in the case where an employee fails to be assessed on three counts as per dates scheduled for assessments, the panel may agree to assess that employee in his/ her absence.**
- 11.5 The employee shall choose a minimum of three (3) national KPAs, with a total weight of 100%.**

- 11.6 The employee (Members of Management) may chose a maximum of twelve (12) core competency requirements (CCRs) including compulsory core managerial requirements (CMRs) with a total weight of 100%.**
- 11.7 The IKPAs must relate to the staff member's functional area and must consist of not less than 5 and not more than 7 IKPAs.**
- 11.8 In instances where the employee sees fit to have more than six (6) IKPAs/IKRAs this must be approved by the Manager concerned however it may not exceed eight (8).**
- 11.9 Each IKPA shall be weighted based on the level of importance, priority, time spent on it and the level of criticality to the Municipality.**
- 11.10 The staff member's job specific competencies should not exceed six competencies within a performance cycle with a total weight of 100%.**
- 11.11 Notwithstanding Clauses No. 11.2 to 11.4 above, scoring shall only be done on the KPAs/Individual KPAs/KRAs and CCRs/GAFs, respectively.**
- 11.12 Scoring will only be done on the national KPAs and CCRs.**
- 11.13 It is incumbent upon the employee to ensure that a performance contract is adequately completed and signed on time without errors.**
- 11.14 Employees who are not on performance contract shall enter into a performance accountability arrangement as per the prescribed performance review template.**
- 11.15 Employees who are on performance contract shall report their performance in a prescribed template in all performance review intervals which may be reviewed from time to time.**
- 11.16 All individual quarterly performance reports shall be due for submission to the immediate superiors within two weeks after the end of each quarter.**
- 11.17 Mid-year and Annual Performance Reports will be due for submission to the PMDS unit within three weeks after the end of first six month-period and financial year respectively.**
- 11.18 PMDS Sub-unit will be responsible for keeping his or her personal copies of the performance contract and individual performance reports in a safe place for reference purposes.**
- 11.19 An employee who fails to sign a performance contract later than 60 calendar days after the due date, shall be regarded as not having complied with this policy, and the employee concerned may be required not to proceed to sign the performance agreement s u b j e c t to institution of disciplinary proceedings.**
- 11.20 The HRM & D Unit will be responsible for distributing performance contract, performance plan, performance review, individual performance reporting templates to the respective Managers at least 7 calendar days before the commencement of the period required for execution of any particular task to be performed in terms of this policy.**
- 11.21 The IPMS Sub Unit will be responsible for distributing performance plan, performance review, individual performance reporting and probation assessment templates to the respective employees (on TASK Grade 15 and below) at least 7 calendar days before the commencement of the period required for execution of any particular task to be performed in terms of this policy.**
- 11.22 The performance objectives and targets reflected in the performance plan are set by the employer in consultation with the employee and based on the IDP, SDBIP and the budget of the municipality and shall include key objectives, key performance indicators, target dates and weighting.**
- 11.23 The supervisor and staff member must ensure that performance management is aligned to the staff member' job, and KPAs relevant to the post that the staff member holds.**

11.24 If at any time during the performance cycle, the responsibilities of the staff member change to the extent that the performance plan in the performance agreement is no longer appropriate, the parties must revise the performance agreement. The performance agreement must include a performance plan that contains—

- the name, job title and the department of the staff member;
- the objectives or targets;
- KPAs, their weightings and the target date for meeting the KPA;
- the KPIs and the performance standard for each KPI;
- the name and definition of the job specific competencies, their weightings and the expected level of capability for each competency;
- a personal development plan prepared in compliance with regulation 51; and
- the process of monitoring and assessing performance, including the planned dates of assessment.

11.25 If a staff member is required to act in a post for a period that exceeds three months, the supervisor to whom the acting staff member is reporting, must review the KPAs and KPIs in consultation with the acting staff member, and include the KPAs and KPIs in the staff member's amended performance agreement.

11.26 Signed copies of the Performance Contracts will be presented to the Audit Committee as evidence of compliance as a matter of due diligence on the part of the Municipality.

12. QUARTERLY, MID YEAR AND ANNUAL PERFORMANCE REVIEW

12.1 The employee shall undergo the mid-year performance review after the first six months of the financial year.

12.2 The mid-year performance review will deal with the assessment of achievement of all job objectives as well as performance targets as outlined in the performance/accountability agreement or promise.

12.3 The mid-year performance review will be used to revise work objectives and performance targets in view of whatever prevailing circumstances warranting such revision.

12.4 Both employer and employee shall be at full liberty to amend the performance/accountability agreement for the remaining six months the financial year with no punitive/adversarial consequences.

12.5 Normal quarterly performance review will not be affected by the mid-year performance review.

12.6 There will be no scoring on quarterly performance reviews, but there will be scoring for mid-year performance reviews and annual performance reviews, and only annual performance reviews will count for the payment of performance Bonus/Appraisal or giving of an award.

12.7 The annual performance review shall be conducted at the end of the financial year.

12.8 The annual performance review shall entail overall assessment of the employee for the entire 12-month performance period.

12.9 This particular performance review will not replace any of the regular performance appraisals in terms of this policy.

12.10 The annual performance review will focus on overall evaluation of

performance with a view of making necessary adjustments as may be required in the previous performance appraisals.

- 12.11 Awarded scores may be adjusted accordingly in the light of new information received.
- 12.12 The main purpose of the annual evaluation will be to determine a final score which may lead to payment of a performance bonus or reward to the deserving employee.
- 12.13 The mid-year performance score may be considered towards the determination of a performance bonus where applicable or any form of performance reward where necessary.
- 12.14 The performance bonus may be paid to the employee after the annual report for the financial year under review has been tabled and adopted by the municipal council and the HRM & D shall use the annual performance report adopted by council to verify the actual performance presented by the employee.
- 12.15 The panel members shall agree on the uniform scoring to provide for all the KPAs.

13. TOOLS OF PERFORMANCE MANAGEMENT

- 13.1 The performance agreement shall be used as a tool for capturing critical performance information like performance objectives, indicators, and targets for all performance contract
- 13.2 An appropriate working tool shall be used by all municipal employees in order to accomplish productivity and to provide any necessary information needed for performance assessment.

14. ELEMENTS OF PERFORMANCE PLANNING AND ASSESSMENT

- 14.1 The elements of performance planning and assessment are as follows:
 - 14.1.1 Job objective
 - 14.1.2 Tasks to be completed to achieve job objective
 - 14.1.3 Target/Success criteria which measure effectiveness of job objective achievement.
 - 14.1.4 Evidence of performance to illustrate examples of work achievement.
 - 14.1.5 Proficiency rating scale of 1 to 5 measuring effectiveness of target/success criteria achievement.
 - 14.1.6 Average rating for all scores assigned to targets/success criteria.
- 14.2 The above performance planning and assessment system will apply to all employees including Section 57 employees of the Municipality.
- 14.3 The performance planning and assessment system for Section 57 employees will apply according to the provisions of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Manager.
- 14.4 Both Supervisor and the employee will be required to agree on the elements of the performance planning and assessment.
- 14.5 Annual competency assessments may be conducted together with the annual skills audit on each employee and this shall be used to assess the individual's achievements on addressing the GAPs on the CCRs.

- 14.6 Individuals, especial on skills levels 3 -1 posts or equivalent job titles, shall only be assessed on activities that they were given an opportunity and resources to deliver.
- 15. MID-YEAR AND ANNUAL PERFORMANCE ASSESSMENT PROCEEDINGS**
- 15.1 The PMS sub-unit shall be responsible for issuing invites to the members of the performance review panel to attend the planned performance review sessions.
- 15.2 The PMS sub-unit will be responsible for inviting the employees to attend the planned performance review sessions.
- 15.3 A notice of 7 calendar days shall be given to any party to attend the performance review proceedings.
- 15.4 All parties attending the performance review proceedings will be required to sign an attendance register.
- 15.5 The venue and time for the performance review sessions will be identified and decided by the PMS sub-unit in consultation with other relevant stakeholders.
- 15.6 The Performance Management System Sub -Unit shall be responsible for budgeting for the funding of the performance management processes.
- 15.7 The outcome of the Annual and Final Performance Review will be submitted to the Audit Committee for review prior to submission of the same to the Council.
- 15.8 The scores will be allocated according to the National KPAs (for Management members) and Individual KPAs/KRAs (for all other employees), respectively.
- 15.9 The Audit Committee shall have the power to moderate final annual performance assessment scores.
- 15.10 The portfolio of evidence shall be used to verify the validity of scores given.
- 15.11 The Internal Audit Unit shall conduct annual audits of all the portfolio of evidence before the final assessments are conducted or before the outcome of the final assessments can be implemented.
- 15.12 The one on one sessions shall be conducted for all managers including the Municipal Manager prior the actual date of the performance assessments.
- 15.13 Section 57 managers shall be assessed after the annual report has been approved.
- 15.14 Once the annual performance evaluation has been concluded, the performance assessment reports and outcomes must be subjected to departmental moderation processes contemplated in regulation 39.
- 15.15 The municipal manager must establish departmental performance moderation committees, which must be convened annually.
- 16. TARGET SUCCESS CRITERIA AND CALCULATION OF SCORES FOR AWARDING PERFORMANCE BONUS/REWARD**
- 16.1 The assessment of the performance of employee will be based on the following rating scale for KPAs/KRAs and CCRs/GAFs or overall target success criteria will be assessed on a scale of 1 to 5 as follows:
- 16.1.1 1 = Unacceptable performance (69% and below)

- | | | | |
|--------|---|---|--|
| 16.1.2 | 2 | = | Not fully effective (70% - 99%) |
| 16.1.3 | 3 | = | Fully effective (100% - 129%) |
| 16.1.4 | 4 | = | Performance significantly above expectations |
| 16.1.5 | 5 | = | Outstanding Performance (150% and above) |

16.2 The following scoring methodologies shall be used by the Individual, Supervisor and/or the panel member/s (whichever is applicable).

16.2.1 Individual Scoring

16.2.1.1 Individual shall score their key performance responsible areas on actual targets which shall be categorized under the following arithmetic and logic values:

- | | |
|------------|------------|
| 16.2.1.1.1 | Yes/No |
| 16.2.1.1.2 | Percentage |
| 16.2.1.1.3 | Numeric |
| 16.2.1.1.4 | Currency |

16.2.2 The Panel Scoring

16.2.2.1 The panel scoring shall be based on the rating set out in section 16.1 of this policy.

16.2.2.2 The panel shall utilize a generally accepted tool to adjudicate their scoring.

16.2.2.3 The panel score shall be influenced by quality, target, and cost.

16.2.2.4 The panel shall take into account the following criteria when conducting the final assessment:

- | | |
|------------|---|
| 16.2.2.4.1 | Number of tasks complete vs. the number of tasks planned. |
| 16.2.2.4.2 | Number of tasks completed on time |

16.2.3 Notwithstanding clause 16.2.2 above, where assessment by the supervisor has to be done/conducted, the same principle shall be used.

16.3 Final scores shall be subjected to section 15.9 of this policy.

16.4 Notwithstanding Section 27 (4) (a)(iii) and (b)(iv) of the Municipal Performance Regulations of 01 August 2006, the panel score or rating shall be taken as the final score.

16.5 The following table as well as the provisions of Municipal Staff Regulations of 20 September 2021 will be used to determine payment of performance bonus to performance contract employee:

16.5.1 Final Score Bonus / Reward

FINAL SCORE	BONUS/REWARD
150 and above	10% to 14% of the annual total remuneration package
130 to 149%	5% to 9% of the annual total remuneration package
100% to 129%	Fully Effective - No performance bonus.
99% and below	Compulsory Performance Counselling and no performance bonus

16.5.2 The above table shall be normalized as follows: -

RANGE	SCORE	% Bonus	RANGE	SCORE	% Bonus
150 AND ABOVE	166 and above	14	Between 130 and 149	149	9
	165	13.9		148	9
	164	13.8		147	9
	163	13.705		146	9
	162	13		145	8.6
	161	12.9		144	8.5
	160	12.85		143	8.4
	159	12.565		142	8
	158	12		141	7.5
	157	11.995		140	7.4
	156	11.71		139	7.2
	155	11.425		138	7
	154	11		137	6.8
	153	10.855		136	6.5
	152	10.57		135	6.4
	151	10.285		134	6
	150	10		133	5.6
				132	5.4
				131	5.2
				130	5

16.6 This rating and scoring mechanism shall apply to all performance contract employees.

16.7 The final rating and scoring payment the performance bonus/reward will be based on the annual performance review and assessment.

16.8 Such final rating and scoring will be verified and ratified by the respective performance review panel as set out in this policy.

16.9 The following formula shall be used to calculate total scores for awarding performance to the performance bonus:

**16.9.1 (a) Weight x Final score per KPA = V x 80%
(for KPA) = score for each KPA**

(b) Add up all KPA scores to get a total sum = W

16.9.2 (a) Weight x Final score per CMC = Y x 20% (for CMC) = score for each CCR

(b) Add up all CCR scores to get a total sum = Z

16.9.3 W + Z = Total score (percentage).

16.10 Notwithstanding 16.9 above, this score shall be out of 200 points, and the final bonus calculation shall be scored as follows: calculation of score:

$$\begin{aligned} \text{KPAs} &= \frac{\text{total points} \times 80}{100} &= \text{????} \\ & &+ \end{aligned}$$

$$\text{CCRs} = \frac{\text{total points} \times 20}{100}$$

TOTAL SCORE

=???

- 16.11** A staff member who receives a performance rating below 3 in terms of the Five-Point Rating table in regulation 38(2) must be assisted in developing his or her competencies through training and develop a revised personal development plan with his or her supervisor.

17. SUB-STANDARD/ POOR PERFORMANCE MANAGEMENT

- 17.1** All endeavours shall be made to provide support in the form of coaching, guidance, mentoring, training and counselling to any employee displaying signs of sub-standard performance.
- 17.2** These employees shall be given adequate maximum period of six months to improve performance.
- 17.3** Unequivocal performance targets with a succinct action plan shall be drawn up for an employee with clear results to be achieved.
- 17.4** The time needed for an employee to improve his/ her performance will be dictated by the nature and level of the job.
- 17.5** Any form of adversarial reaction to the employee's poor Performance shall be preceded by a comprehensive package of assistance within a reasonable time frame.

18. PERFORMANCE DISPUTE RESOLUTION

- 18.1** A performance dispute shall be declared in writing by an affected employee within 21 working days after receiving a written confirmation of the performance assessments results if the need to do so arises
- 18.2** Any dispute about performance objectives or targets must be mediated by the relevant head of department or directorate of the staff member to whom this function is delegated. If the dispute is not resolved to the staff member's satisfaction, the staff member may lodge a grievance in terms of the applicable procedures.
- 18.3** A Performance Dispute Resolution Tribunal will be made up of not less than 3 members and not more than 5 members.
- 18.4** The members of the Performance Dispute Resolution Tribunal will be drawn from municipal officials serving in the managerial and supervisory positions, whose post level are above that of the accused employee.
- 18.5** The Performance Dispute Tribunal shall have a Chairperson appointed by the Municipal Manager whether from internal or external, preferable not outside the jurisdiction of the District municipality.
- 18.6** The Performance Dispute Tribunal Chairperson shall convene a meeting within 14 working days of the receipt of the dispute to hear the dispute.
- 18.7** The employee will be afforded representation rights and other rights as accorded in the disciplinary procedure
- 18.8** The proceedings of the Tribunal shall be recorded by means of a mechanical device.

- 18.9 The employee shall lead evidence in chief and the supervisor or manager of the employee shall reply in stating the employer's side of the story.
- 18.10 The employee and his/her representative shall cross-examine the manager or supervisor.
- 18.11 The Tribunal shall deliver its verdict within 10 working days after completion of the proceedings to the Municipal Manager.
- 18.12 The employee shall be advised about the decision of the tribunal within five working days of receipt of the verdict of the tribunal by the Municipal Manager.
- 18.13 A dispute contemplated in sub-regulation (2) must be resolved within one month of the dispute by the head of the department, after considering the representation from the staff member concerned and his or her supervisor;
- 18.14 If the employee is not satisfied with the outcome of the performance dispute resolution, the matter can then be treated in terms of the grievance procedure of the Municipality.
- 18.15 If the matter is not resolved in terms of the grievance procedure, the matter may be referred to the Bargaining Council for resolution by the employee or dealt with in terms of the other applicable law.
- 18.16 If the Municipal Manager or the Managers directly accountable to the Municipal Manager have a dispute with their performance, the matter must be dealt with in terms of dispute resolution mechanism as stated in the Municipal Regulations for Municipal Managers and Managers directly accountable to the Municipal manager.
- 18.17 Any dispute relating to the conclusion of the performance agreement or an amendment to the performance agreement or assessment, must be referred to the head of the relevant department or directorate not later than five days of lodging the grievance in terms of the applicable procedures.

19. PAYMENT OF PERFORMANCE BONUS/ REWARD

- 19.1 The payment of performance bonus/reward to the performance contract employees shall be done in terms of the relevant provisions of section 16 of this policy and for the Section 57 employees shall also be managed according to the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly accountable to Municipal Manager.
- 19.2 Employees falling outside the category of the service bonus earners will be rewarded for best performance through prize system.
- 19.3 The performance contract employees shall not participate in the performance prize competition.
- 19.4 100% of the annual aggregate score for the category of employees not receiving performance bonus shall be equivalent to the first prize.
- 19.5. 80 % of the annual aggregate score shall be equivalent to the second prize in respect of the Category of employees not receiving performance bonus.
- 19.6 60 % of the annual aggregate score shall be equivalent to the third prize in respect of the category of employees not receiving annual bonus.
- 19.7A performance related reward is at the discretion of the municipality and may be awarded to a staff member—

- who has served the full assessment period of 12 months on 30 June of each financial year of a municipality;
- transferred or seconded horizontally during the performance cycle within the municipality;
- who is on uninterrupted approved leave for 3 months or longer;
- who is on approved maternity leave for more than 3 months; and
- who received a performance rating of performance significantly above expectations or outstanding performance during a performance cycle after moderation of performance results

19.8 Performance bonus payment for the section 57 employees will be managed according to the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly accountable to Municipal Manager.

19.9 Prices will be won by one best performing employee per unit.

20. REWARD AND RECOGNITION OF EXCELLENCE

- 20.1 Employees falling outside the category of the performance bonus earners will be rewarded for best performance through prize system.
- 20.2 Each Department may have three prizes to be won by the first three best performing employees or group of employees in the Department.
- 20.3 The monetary value of the first prize shall not exceed 0.05% of the total Municipal personnel expenditure in the previous financial year.
- 20.4 The monetary value of the second prize shall not exceed 0.04% of the total Municipal personnel expenditure for the previous financial year.
- 20.5 The monetary value of the third prize shall not exceed 0.03% of the total municipal personnel expenditure for the previous financial year.
- 20.6 A winning employee or group of employees will receive a prize or a gift to the approximate value in accordance with the approved budget provisions.
- 20.7 In cases of neck to neck situations, the evaluation panel shall devise the most appropriate and fair mechanism of undoing a tie so as to having more than one first, second and third prize winners in each Department.
- 20.8 This mechanism will include calling for representations from the supervisors and managers concerned with regard to the performance of those employees.
- 20.9 All performance and recognition rewards will be handed over in a special annual ceremony organized to confer the awards and honour good performance in a very symbolic and prestigious fashion.
- 20.10 For the purpose of this policy, the Departments and all organizational components headed by section 54/56 Managers including the Office of the Municipal Manager as well as offices of the Mayor and Speaker will be incorporated into that of the Municipal Manager.
- 20.11 This annual ceremony will be used for conferring long service awards, retirement awards and employee academic achievements.
- 20.12 Other tokens of appreciation may be issued to employees in the ceremony subject to availability of funding and sponsorship.

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21. INCAPACITY PROCEEDINGS ON GROUNDS OF POOR PERFORMANCE

- 21.1 After probation or during normal work performance an employee should not be dismissed unless the following has happened:**
 - 21.1.1 The employee has been given appropriate evaluation, instruction, training, guidance and counselling.**
 - 21.1.2 The employee should be given a reasonable time for improvement.**
- 21.2 The Procedure to be followed prior to instituting dismissal proceedings will include an investigation into the real causes of poor/unsatisfactory performance.**
- 21.3 After establishment of the real causes for unsatisfactory performance, an appropriate response to the problem must then be implemented.**
- 21.4 Where necessary charges for incapacity on grounds of poor performance shall be formulated and preferred against the employee subject to proof of failure of all other required and taken steps towards assisting an employee.**
- 21.5 In case of disciplinary proceedings, the employee shall have to be heard and assisted by a Trade Union Representative or fellow employee.**

22. DISMISSAL ON GROUNDS OF POOR PERFORMANCE

- 22.1 The person determining whether a dismissal for poor performance is unfair should consider the following:**
 - 22.1.1 The performance standards set for the employee in terms of whatever accountability arrangement.**
 - 22.1.2 Whether or not the employee failed to meet the performance standard set.**
 - 22.1.3 The employee was aware or could have reasonably be expected to have been aware of the required performance.**
 - 22.1.4 The employee was given a fair opportunity to meet the required performance standard.**
 - 22.1.5 The employee was given adequate support in terms of all resources required to perform up to the required standard including training, guidance, coaching, mentoring where necessary and counselling.**
 - 22.1.6 The dismissal is a fair sanction for incapacity proceedings where it is proven on balance of probabilities that failure to meet the required performance standard has not been remedied despite all forms of support provided.**

23. DEPARTMENTAL AND MUNICIPAL MODERATION COMMITTEE

- 23.1 The municipal manager must establish the municipal and departmental performance moderation committees, which must be convened annually.**
- 23.2 Performance moderation processes must take place within a reasonable timeframe after the end of the performance cycle, but not later than six months after the end of the financial year.**
- 23.3 The municipal and departmental performance moderation committees shall be constituted as follows:**
 - 23.3.1 The relevant heads of departments, who must act as chairpersons in the committees;**

- 23.3.2 All managers directly accountable to the heads of departments, who must be recused from the committee before their assessments are considered by the committee; and**
- 23.3.3 A senior human resource functionary who will advise, guide and provide support, including arrangements for secretariat services.**
- 23.4 The purpose of the departmental performance moderation committee is to—**
- 23.4.1 Conduct moderation of annual staff performance results in order to ensure that the norms and standards for PMDS are applied in a fair, realistic and consistent manner across the department;**
- 23.4.2 Assess and compare the performance and contribution of each staff member with his or her peers towards the achievement of departmental goals;**
- 23.4.3 Determine the cost implications for recognition of performance of all staff members within the department;**
- 23.4.4 Recommend the moderated performance scores for all staff members to the municipal moderating committee for approval;**
- 23.4.5 Ensure that performance rewards are based on affordability;**
- 23.4.6 Consider the impact of the performance assessments on financial rewards and options for various forms of recognition;**
- 23.4.7 Recommend performance rewards as well as remedial actions for performance considered to be below effective performance; and**
- 23.4.8 Ensure that the integrity of the performance management and development system is protected.**
- 23.5 The purpose of the municipal moderation committee is to —**
- 23.5.1 Provide oversight over the staff performance to ensure the performance management process is valid, fair and objective;**
- 23.5.2 Moderate the overall performance assessment score for staff determined after the departmental moderation processes;**
- 23.5.3 Ensure that the final individual performance ratings are fair across each grade and department or directorate;**
- 23.5.4 Ensure that the final individual assessment outcome corresponds with the performance of the municipality and the relevant department aligned to the staff member's job description or directorate before any recognition of performance is considered;**
- 23.5.5 Determine the percentages for the merit-based rewards subject to affordability and the annual approved municipal budget in terms of section 16 of the Municipal Finance Management Act;**
- 23.5.6 Recommend appropriate recognitions for different levels of performance;**
- 23.5.7 Recommend appropriate remedial actions for performance believed to be substandard;**
- 23.5.8 Identify potential challenges in the performance management system and recommend appropriate solutions to the municipal manager;**
- 23.5.9 Identify developmental needs for supervisors to improve the integrity of the performance management and development system; and**
- 23.5.10 Consider any other matter that may be considered relevant.**

23.6 If the municipal and/ or departmental moderation committee has reason to believe that any performance assessment by the supervisor does not conform to performance norms and standards or that there is lack of evidence or information to support the performance ratings, the departmental moderation committee may not reassess, amend or adjust the performance ratings of a staff member, but may refer the assessment back to the relevant supervisor for reassessment in consultation with the affected staff member.

23.7 Upon conclusion of the reassessment, the departmental moderation committee may reconvene to moderate the assessment of the staff member concerned.

24. COMMENCEMENT

24.1 This policy will come into effect on the date of adoption by the Council and all the previous adopted policies in this regard shall be repealed.

25. INTERPRETATION OF THIS POLICY

25.1 All words contained in this policy shall have an ordinary meaning attached thereto, unless the definition or context indicates otherwise.

25.2 Any dispute on interpretation of this policy shall be declared in writing by any party concerned.

25.3 The Municipal Manager shall give a final interpretation of this policy in case of a written dispute.

25.4 If the party concerned is not satisfied with the interpretation, a dispute may then be pursued with the South African Local Government Bargaining Council/ Arbitration.

26. PERMANENT/ TEMPORARY WAIVER OR SUSPENSION OF THIS POLICY

26.1 This policy may be partly or wholly waived or suspended by the Municipal Council on a temporary or permanent basis, after consultation with Management and Trade Unions.

26.2 Notwithstanding clause No. 26.1 the Municipal Manager may under circumstances of emergency temporarily waive or suspend this policy subject to reporting of such waiver or suspension to Council and Trade Unions.

27. AMENDMENT AND/ OR ABOLITION OF THIS POLICY

27.1 This policy may be partly amended or repealed by the Council after consultation and interaction with Management and Trade Unions.

28. COMPLIANCE AND ENFORCEMENT

28.1 Violation of or non-compliance with this policy will give a just cause for disciplinary steps to be taken.

28.2 It will be the responsibility of all Managers, Supervisors, and Executive Committee and Council to enforce compliance with this policy.

<p>CPS/P82 CR 884/28/05/2025</p>
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MR. L. MATIWANE
MUNICIPAL
MANAGER



CLLR M. STUURMAN
ACTING HON.
MAYOR



CLLR N. NGWANYA
HON. SPEAKER