



Policy

Performance Management System

Sedibeng District Municipality

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1 ACRONYMS

The following table provides a list of acronyms used in the document.

ACRONYM	Definition
CCR	Core Competency Requirements
EAP	Employee Assistance Program
ePMS	Electronic Performance Management System
GDS	Growth and Development Strategy
HRD	Human Resources Department
IDP	Integrated Development Planning
KPA	Key Performance Area
KPI	Key Performance Indicator
MMC	Member of the Mayoral Committee
PDP	Personal Development Plan
PMS	Performance Management System
PSC	Performance Steering Committee
REMCO	Remuneration Committee
SALGA	South African Local Government Agency
SARS	South African Revenue Services
SDBIP	Service Delivery and Budget Implementation Plan
SDM	Sedibeng District Municipality
TCTC	Total Cost To Company
WSP	Workplace Skills Plan

2. TERMINOLOGY

The following is the key terminology used in the Sedibeng District Municipality's performance management and development policy.

EMPLOYEE	Shall mean any person, excluding an independent contractor, who works for the Municipality and who receives, or is entitled to receive, any remuneration.
SECTION 57 EMPLOYEE	An Employee in terms of Sect. 57 of the Municipal Systems Act 32 of 2000 and with whom the Municipal Manager concluded a fixed term contract. It includes Executives, Strategic Project Managers, Directors who do not report directly to the Municipal Manager, but with who a fixed term Employment Contract has been concluded.
FINAL ASSESSMENT	Is the final review of objectives, indicators, standards and targets, to determine a performance reward.
GRIEVANCE	Refers to a complaint or concern resulting either from an evaluation outcome or the evaluation process.
IDP	The Integrated Development Plan inclusive of the Service Delivery and Budget implementation Plan (SDBIP).
PERSONAL DEVELOPMENT PLAN	Is a plan that is developed after the formal assessment in July and shows what training and development activities will be planned for the year to assist the employee to be more efficient in his/her current position.
INPUTS	These are resources, competencies, knowledge, skills and behaviour the Employee needs to have, in order to perform a particular job effectively.
MANAGER	A member of staff with staff members within his/her span of control, for whom s/he is directly responsible and to whom such staff member (s) are directly accountable.
MUNICIPALITY	The Sedibeng District Municipality (SDM)
MMC	Member of the Mayoral Committee
OBJECTIVES	The objectives refer to the main activities or key focus area, which make up a persona' job and performance agreement and describe what must be achieved.
OUTPUTS	The outputs describe what needs to be delivered in order to be successful in the job as per the Performance Agreement and Plan.
ONGOING PERFORMANCE FEEDBACK	Ongoing Performance feedback refers to the frequency and quality of performance discussions between the Manager/Supervisor and Employee (over and above the quarterly reviews)
PERFORMANCE AGREEMENT	Refers to the signed documents by both parties (Manager/Supervisor and Employee) that states objectives, performance indicators, standard and target for the Employee with the aim to monitor and measure performance for a particular financial year.

PERFORMANCE INDICATORS	Refers to different types of measures which could include: time, performance against set time frames, response time, quantity, quality, cost or money, maximising income, reducing costs and improvement. It defines how performance and what standards will be measured.
PERFORMANCE TARGET	A performance target is set for each Key Performance Indicator to measure by when and how that specific target should be achieved and it should be SMART (specific, measurable, attainable, realistic, and time related).
PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM	A policy framework and procedures document, that guides how the Municipality's performance planning, monitoring, measurement, review, reporting and improvement will be managed including defining the role of different role players.
PERFORMANCE MANAGEMENT REVIEW	Refers to the quarterly reviews conducted in the four quarters (made up of a three-month period) of the financial year.
PERFORMANCE MANAGEMENT REPORT	A report to Council by the Performance Management and Development Division to report on the process during the review cycle and to update the Council on the reward process.
PERFORMANCE MANAGEMENT REVIEW CYCLE	Refer to Sedibeng District Municipality's financial year (1 July to 30 June).
PERFORMANCE MANAGEMENT REWARD	A reward allocated to Employees who achieved a certain level of performance and is inclusive of a performance bonus.
SUPERVISOR	See Manager.
WSP (WORK SKILLS PLAN)	The approved plan of the Municipality that shows the planned training and education interventions for the organisation for the particular financial year.
Grievance	Refers to a complaint or concern resulting either from an evaluation outcome or the evaluation process.
On-going Performance Feedback	On-going Performance feedback refers to the frequency and quality of performance discussions between the Manager and Employee (over and above the formal reviews)

3. INTRODUCTION & BACKGROUND

Sedibeng District Municipality in line with Chapter 6 of the Municipal Systems Act has established a performance management and development system to promote a culture of performance among its political structures and its administration. This process is informed by a framework for municipal planning that is developmental in nature.

Performance management is a system that is used to ensure that all parts of the municipality work together to achieve the objectives and targets as set out by the municipality and the community. The municipality must have clear goals and specific targets of what has to be done to ensure that the objectives are achieved. Every department and staff member should be clear of what is expected and how their performance will contribute to achieving overall objectives and targets.

Performance management plays a critical role to ensure that the Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP) are being implemented. Furthermore it ensures that the IDP and the SDBIP produce the desired development impact as well as ensure that resources are used efficiently.

The SDBIP is an overall plan applied as a monitoring tool by the Executive Mayor and Council to evaluate progress on the implementation of Council's adopted Integrated Development Plan. Municipalities should publish their objectives and targets so that the public can also actively monitor implementation and hold them to account.

3.1 Legislative Requirements

The development and implementation of a performance management and development policy and system for SDM strategically aligns to various pieces of legislation.

- Constitutional Mandate, Chapter 10 Section 195 (1).
- Batho Pele Principles no. 8.
- White Paper on Local Government, 1998.
- Municipal Systems Act 2000, Chapter 6 (38).
- Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers.
- Municipal Financial Management Act no 32 of 2000, Chapter 6.

In addition performance management in the public service is guided by the following:

- Public Service Act 1994;
- Public Service Regulations 2001;
- Resolutions of the Public Service Co-ordinating Bargaining Council;
- Treasury Regulations 2001;
- Public Finance Management Act,1999;
- Skills Development Act,1999;
- Basic Conditions of Employment Act,1997;
- Labour Relations Act, 1995; and
- All other Acts and Policies which are supportive of Employer/Employee relations.

3.2 Purpose of the Document

This document represents a policy on performance management and development for the Sedibeng District Municipality. Furthermore it provides procedures for managing, monitoring and evaluating performance in the municipality at both organisational and individual level. This policy shall be used within the municipality to develop, review, monitor and conclude performance agreements and manage performance of all Employees as per the strategic objectives of the Sedibeng District Municipality derived from the following key strategic documents:

- Growth and Development Strategy (GDS);
- Integrated Development Plan (IDP);
- Service Delivery and Budget Implementation Plan (SDBIP); and
- National, Provincial and Local Government strategic priorities.

3.3 Automation

Performance management and development processes are automated to reduce burdens of the manual processes. This is achieved through the implementation on an electronic performance management system. The system automates all the phases of performance management at both individual and organisational levels. Furthermore the system ensures the following:

- Performance information is reliable and free from manipulation;
- Allow for easy access to historical performance information;
- Provide access to monthly, quarterly and annual reporting;
- Provide for a central repository for performance planning, evaluation and reporting;
- Easier management of individual performance through analytical reporting.

The electronic performance management system shall be reviewed from time to time to effect new requirements. This shall be coordinated by the PMS Manager. Furthermore the system shall be upgraded on an annual basis to ensure that it is in par with the latest technologies.

Users of the system shall undergo training to ensure efficient usage of the system.

4. OBJECTIVES

The objectives of the performance management and development policy and system of the SDM can be summarised as follows:

- To link the Sedibeng Growth and Development Strategy (GDS) 2025 and the IDP to departmental teams and individual performance;
- To fulfil all applicable national, provincial and local government legislative requirements on performance management and development;
- To improve the organisational performance by improving team and individual performance;
- To clarify expectations of what teams and individuals are required to achieve;
- To develop the skills, competencies and abilities of individuals within the organisation;
- To develop a sound working relationship between Managers/Supervisors and Employees through the development of agreed objectives, the provision of feedback, mentoring and coaching;
- To identify and reward staff who render exceptional performance;
- To identify staff who render unsatisfactory performance and provide appropriate remedial action;
- To provide a mechanism for identifying and linking training and development needs to performance management;
- To ensure that staff is actively involved in managing their own performance; and
- To instil a performance-oriented culture throughout the organisation.

5. EMPLOYEES INCLUDED IN THE SEDIBENG PERFORMANCE MANAGEMENT SYSTEM

The performance management and development system shall apply to all Employees employed by Sedibeng District Municipality. This includes employees employed on a:

- Permanent basis; or
- Fixed term contract basis (for the duration in the employ of the municipality)

There are two categories of Employees in the municipality. These include the following:

- Section 57 Employees:
 - Municipal Manager; and
 - Executive Directors (managers directly accountable to the municipal manager).
- Non – section 57 Employees.
 - Directors /Managers;
 - Contractors/Project Managers/Consultants; and
 - General Staff.

All categories shall sign performance agreements with the municipality. In this respect the following in principle shall apply:

- The Executive Mayor shall conclude the performance agreement of the Municipal Manager;
- The Municipal Manager shall conclude the performance agreements of all Executive Directors;
- The Executive Directors shall conclude the performance agreements of all Directors;
- The Directors shall conclude the performance agreements of all Managers/Assistant Managers; and
- Managers/Assistant Managers shall conclude the performance agreements of all staff under their direct management.

6. PERFORMANCE MANAGEMENT AND DEVELOPMENT CYCLE

The cycle of performance management and development in a financial year is illustrated by the table below:

Performance Management and Development Cycle													
Performance Management Process		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
1	IDP, budget and SDIM is approved by Council.											✓	✓
2	Finalise Performance Agreements on basis of approved IDP and budget	✓											✓
3	Monitor Performance Agreements	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Quarterly Review Performance	✓			✓			✓			✓		
5	Recognise and/or Reward Performance			✓					✓				
6	Formal Feedback to Council											✓	

8.1 Planning Phase (May to July)

At the beginning of the performance management development cycle is planning. This stage involves the following key tasks:

- The Management Committee translate objectives as contained in the approved IDP into the annual Service Delivery and Budget Implementation Plan (SDBIP), showing the annual targets, key indicators, and baselines. Such SDBIP shall be submitted to the Executive Mayor for approval.
- The Executive Director and team of Directors and/or Managers translate deliverables as contained in the Service Delivery and Budget Implementation Plan into the Departmental SDBIPs, showing quarterly targets. Such SDBIPs shall be uploaded into the ePMS system;
- The Line Manager/Supervisor shall schedule meetings with each Employee to agree on individual performance objectives, indicators, performance targets guided by the SDBIP in terms of the IDP;
- The Line Manager and Employee shall conclude a performance agreement and plan for the financial year based on the indicators set out in the department's SDBIP. Both parties shall sign the performance agreement.
- All individual performance agreements for the department shall be submitted to the Performance Management Manager/Practitioner for quality check before being submitted to the Human Resources Department for record keeping.

8.1.1 Performance Agreements

All performance agreements and plans shall be:

- Developed for each Employee on an annual basis;
- Developed by the immediate Manager/Supervisor of the Employee, in consultation with such Employee for input and approval by a Director;
- Agreed upon between the relevant Manager/Supervisor and Employee; and
- Signed and dated by the relevant Manager/Supervisor and Employee, once agreement has been reached.

Signing a performance agreement and plan the Employee agrees to the following:

- Fully committing to the successful delivery of all outputs and outcomes in the performance agreement;
- Attending all training and development interventions and procedures as required; and
- Keeping and maintaining records of all outcomes/outputs achieved.

In signing the performance agreement the Manager/Supervisor commits to the following:

- Managing the Employee's performance in full compliance with all directives governing performance management;
- Providing a conducive work environment in order for Employees to carry out their tasks; and
- Providing regular feedback and/or encouragement by means of both formal and informal communication.

All Employees and Managers/Supervisors shall conclude and sign the following annually:

- Performance Agreement;
- Individual Performance Plan;
- Personal Development Plan; and
- Control Sheet.

8.1.2 Measuring

There are two basic criteria against which Employees shall be measured:

KPAs/JDKPAs: these describe exactly what the Employee is expected to achieve during the year. Performance indicators for each KPA must be provided detailing the evidence that will be used to assess whether or not an Employee has achieved the objective. KPAs identify what needs to be done.

Core Competency Requirements: these describe the skills, knowledge and behaviours the Employee is required to demonstrate in order to achieve the objectives. Core competencies, particularly the behaviours, identify how the work needs to be done.

Below is a list of potential requirements for CCRs: that can be used for all employees including Section 57 Employees broken down into managerial and occupational competencies.

No	Core Competency Requirements (Inputs)	Weighting
Core Managerial Competencies (CMCs)		
1	Strategic Capability and Leadership	
2	Programme and Project Management	
3	Financial Management	
4	Change Management	
5	Knowledge Management	
6	Service Delivery Innovation	
7	Problem Solving and Analysis	
8	People Management and Empowerment	
9	Client Orientation and Customer Focus	
10	Communication	
11	Honesty and Integrity	
Core Occupational Competencies (COCs)		
1	Competence in Self Management	
2	Interpretation of and implementation within the legislative an national policy frameworks	
3	Knowledge of Performance Management and Reporting	
4	Knowledge of global and South African specific political, social and economic contexts	
5	Competence in policy conceptualisation, analysis and implementation	
6	Knowledge of more than one functional municipal field / discipline	
7	Skills in Mediation	
8	Skills in Governance	
9	Competence as required by other national line sector departments	
10	Exceptional and dynamic creativity to improve the functioning of the municipality	
11	Time Management (delivers services on time)	
12	Creative thinking (uses innovation when delivering a service)	
13	Communication (effectively utilises new knowledge)	
14	Application of knowledge (effectively communicates)	
15	Dissemination of knowledge (shares expertise)	
16	Relationship with colleagues (work closely and in harmony with colleagues)	

The allocation of performance ratings shall be made according to the following rating scale:

Level	Classification	Definition
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the Employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The Employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected

		for the job. The review/assessment indicates that the Employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
5	Outstanding performance	Performance far exceeds the standard expected of an Employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year

(Find attached as annexure A to this policy, a template for a performance agreement for section 57 Employees and annexure B for non section 57 Employees)

8.1.3 Weighting

The total of weightings on the Performance Plan shall weight up to 100 points. The purpose of the weighting is to indicate key focus areas to Employees. Some objectives may have higher weighting than others as a result of their impact for instance to service delivery.

The criterion upon which the performance shall be reviewed consists of the following two components as contained in the Performance Plan.

- Key Performance Areas (KPAs) i.e. key objectives or outputs; and
- Core Competency Requirements (CCRs) i.e. knowledge, skills and behaviours or inputs.

Key performance areas and core competency requirements will be scored separately to make up 100 points and then weighted to calculate the final score.

In the case of employees (Level 0 to 4, including Section 57 Employees) the following weighting shall apply:

- KPA or outputs covering the main areas of work account for 80%; and
- CCRs will account for 20% of the final assessment.

In the case of all other Employees the following allocation shall apply:

- Job Description KPAs or outputs covering the main areas of work will account for 70%; and
- CCRs will account for 30% of the final assessment.

Organisational level: Directorates shall prepare and consolidate their SDBIPs into one organisational SDBIP for the SDM and submit to Council for noting.

8.2 Monitoring Phase (Monthly starting in July)

Individual level: Monitoring refers to ongoing performance feedback throughout the financial year. A Manager/Supervisor shall hold informal ad hoc “one-on-one” meeting with an Employee to:

- Provide strategic guidance for alignment of work to department’s SDBIP and municipality’s IDP;
- Provide positive feedback to Employee to motivate and encourage good performance;
- Sustain or improve performance;
- Manager/Supervisor identify and support Employees in need of EAP and consult HRD in this regards;
- Ensure good understanding between the Manager/Supervisor and Employee of work completed, in progress and not started. This eliminates the element of “surprise” during formal reviews; and
- Provide Employee with an opportunity to request assistance where necessary.

Employees shall keep records (minutes) of all informal progress meetings for their own developmental use.

Organisational level: Managers, Directors and Executive Directors shall compile monthly performance reports for the Municipal Manager to report on their overall directorate’s actual performance against planned performance in their SDBIP (business plans).

8.3 Reviewing Phases (October, January, April and July)

Individual level: Performance reviews provide an opportunity to review performance against all set objectives to date prior to year – end review, thus minimising surprises during final assessment and enabling corrective action to be taken during the year. They also assist to recognise strength and determine how to improve or enhance weaknesses.

There shall be four formal performance reviews/assessments for the financial year. These shall be formally recorded in the individual performance reviews.

The performance reviewing process shall involve the following key tasks:

- Manager/Supervisor request Employee to prepare for formal appraisal by scoring him/herself against the agreed objectives. In case of level 0 to 4 such process is completed onto the ePMS;
- Manager/Supervisor prepares scores of the Employee’s performance against agreed objectives;
- Manager/Supervisor and Employee meet to conduct formal performance appraisal and agree on final scores. Where an Employee and Manager/Supervisor disagree on the score, the Manager/Supervisor’s decision is final;
- Employee provide documented evidence of results achieved;
- During the final performance review, Manager/Supervisor and Employee prepare and agree on Employee’s personal development plan;

- Both parties sign the performance appraisal and submit to Municipal Systems, who will file at the Human Resource Department for record keeping. Managers/Supervisors who do not have access to the electronic PMS system shall submit the PMS documentation to the Directorate Municipal Systems' office for capturing onto the electronic PMS;
- A printed copy of the results of an Employee's final performance assessment (appraisal) on the link to reward shall be distributed to each Employee, as soon as the process is complete, by the Directorate Municipal Systems'; and
- All performance appraisals, produced quarterly shall be captured and stored centrally and copies given to Employee and Manager/Supervisors ;and
- No unauthorised parties may have access to the evaluation results of an employee, without the written permission of the official concerned.

For purposes of evaluating the performance of full-time shop stewards, the panel shall consist of:

- Director Municipal Systems
- Director Human Resources; and
- Two senior officials or office bearers from the relevant union's office.

The assessment will be based on the performance plan of the shopsteward

Organisational level: The following performance reports need to be prepared:

- Executive Director and/or Manager/Supervisor compile a department's quarterly performance report per department and/or cluster, and upload onto the ePMS with all relevant evidence. These shall be audited and tabled before relevant Committees;
- Half-yearly performance report for whole of municipality which shall be tabled before Council; also upload onto the ePMS with all relevant evidence. It shall be audited and tabled before relevant Committees;
- Annual Report for whole of municipality which shall be tabled before all relevant Committees (Audit Committee, MPAC, Mayoral Committee and Council), and finally shared with the general public.

8.4 Rewarding/Corrective Action Phase (June)

Individual level: Outstanding performance will be encouraged in the municipality through, among other things reward and/or recognition.

The final assessment phase is the fourth performance review of the quarterly review process. After the final assessment, all scores including the three quarterly assessments are added up to calculate the final performance score of the Employee for the financial year.

In ensuring that the performance results derived are consistent, fair and objective, the Performance Steering Committee shall moderate performance results. The committee will do this by sampling performance results of Employees with the highest and lowest performance scores in each department and where necessary request motivation from the Manager/Supervisor for the scores allocated. This way the committee will ensure that a level of fairness is achieved.

This stage of performance management determines what reward and recognition should be given to an individual Employee, department or collective for outstanding work performed during the financial year. It also determines what corrective actions should be taken in cases of non-performance.

All Section 57 Employees who are on a performance based fixed term contract and who have entered into a Performance Agreements will receive an annual performance bonuses and salary increments based on their performance against their objectives i.e. if they achieve a certain score in the final assessment at the end of the year .

The following tasks are key to this stage:

- After receiving the final scores from the Directorate Municipal Systems, the Performance Management Steering Committee will meet for final **adjustment** if any;
- Directorate Municipal Systems compiles a list of all Employees with poor performance results and submit to the Performance Steering Committee who will then submit to the Municipal Manager;
 - Directorate Municipal Systems shall update, communicate to Employees and file in HRD; and
 - The Municipal Manager instructs all Executive Directors to submit proposed recognition and or rewards (non-cash) for performing employees in their Clusters.

For purposes of evaluating the annual performance of the Municipal Manager, an evaluation panel constituted of the following persons must be established -

- Executive Mayor or Mayor;
- Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- Member of the mayoral or executive committee;
- Mayor and/or Municipal Manager from another municipality; and

For purpose of evaluating the annual performance of managers directly accountable to the municipal managers, an evaluation panel constituted to the following persons must be established-

- Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- Member of the Mayoral Committee
- Municipal Manager or his/her nominee from another municipality who is not lower than the person being evaluated

8.4.1 Performance Bonuses (Section 57 Employees)

Performance bonuses shall be calculated as a percentage of the employee's basic salary.

New Employees who join the municipality during the financial year will be allowed the same opportunity as other Employees when determining eligibility for performance bonuses if they have been employed for longer than six months. However they should be paid on a pro rata basis from date of employment.

In the event that salary has been changed, the bonus must be paid as a percentage of the specific annual salary that he/she would have earned.

The following rating scale will be used to determine the payment of performance bonuses which will be a percentage of the annual remuneration package of the Employee. Below is a table for illustration:

TABLE FOR BONUS CALCULATIONS	
SCORES	PERCENTAGE BONUS
67	5.00
68	5.27
69	5.55
70	5.82
71	6.09
72	6.36
73	6.64
74	6.91
75	7.18
76	7.45
77	7.73
78	8.00
79	8.27
80	8.55
81	8.82
82	9.09
83	9.36
84	9.64
85	9.91
86	10.18
87	10.45
88	10.73
89	11.00
90	11.27
91	11.55
92	11.82
93	12.09
94	12.36
95	12.64
96	12.91
97	13.18
98	13.45
99	13.73
100	14.00

The table below illustrate the threshold upon which a performance bonus shall be payable.

Payment of Performance Bonuses			
Scale	Score	Definition	Bonus
1	0 – 24%	Unacceptable performance	No bonus
2	25 – 49%	Not fully effective	No bonus
3	50 – 66%	Fully effective	No bonus
4	67 – 89%	Exceed expectations	5 to 11%
5	90 - 100%	Outstanding performance	11.27 to 14%

Performance bonus shall be paid depending on the availability of the budget. In the case of insufficient budget, the Performance Steering Committee shall recommend to the Municipal Manager that performance bonuses be paid upon the following criteria:

- The percentage payable to all employees be reduced.

8.4.2 Performance Recognition

All Employees with outstanding performance based on their performance results will be recognised by the municipality for their contribution. There are three types of non – cash rewards, this includes:

- **Informal awards** – these are spontaneous and can be implemented with minimal planning and effort e.g. calling an Employee into the office and thanking him/her for the job well done.
- **Achievement award** – these are tailored to reward specific achievements or behaviours desired most in the municipality e.g. long service award.
- **Formal award** – the municipality has a formal recognition programme used to formally acknowledge in public significant contributions by individuals and teams e.g. annual Mayoral awards for excellence.

As part of formally recognising and encourage excellent performance in the municipality annual “Mayoral Award on outstanding performance” will be instituted. This award shall be given to the best performer in a financial year i.e. one Employee declared an “Employee of the Year”.

The nature of other awards may include:

- Informal awards
 - Write a “thank you” card or put “thank you” note on the Employee’s desk;
 - Publish Employee’s achievement on the notice board or internal newsletter; and
 - Get a senior member of the management team to call the Employee and thank him/her for the job well done.
- Achievement award – not linked to the performance management and development system but may be used as creative additional way to encourage and recognise high performance.
 - Employee of the Month;
 - Most Improved Employee; and
 - Manager/Supervisor of the Month.
- Formal award – linked to the performance management scoring at the end of the financial year.
 - Gift
 - Trophy;
 - Sabbatical leave;
 - Vacation leave days; and
 - Certificate for excellent performance.

9. ROLES AND RESPONSIBILITIES IN PERFORMANCE MANAGEMENT AND DEVELOPMENT

9.1 Management (Managers/Supervisors)

All Managers/Supervisors with Employees under their direct management will have the following responsibilities:

- Communicate the big picture of the SDM's overall and department goals to Employees, and show the relationship between their jobs and the success of the municipality;
- Assist Employees establish realistic objectives that are linked to their department's business plans and ultimately the municipality's IDP and other related strategies;
- Ensure timely completion and submission of Employee's performance agreements, plans and reviews. This task shall be included in the Managers/Supervisors performance plans and reviewed as part of the quarterly review process.
- Ensure timely completion and submission of units, departments and directorates monthly, quarterly and annual reports to the Office of the Municipal Manager. This task shall be included in the Managers/Supervisors (Managers, Directors, Executive Directors and Municipal Manager) performance plans and reviewed as part of the quarterly review process
- Utilise the Employee Assistance Program (EAP) where necessary to provide necessary support to Employees to achieve their objectives and performance standards;
- Identify competency levels (skills, knowledge and behaviours) needed by the Employee to achieve the objectives and performance standards that have been set;
- Ensure comprehensive and effective communication and adherence to the Policy within their department;
- Ensure consistent and objective application of the performance management policy;
- Resolve differences and potential grievances resulting from performance reviews, wherever possible and as speedily as possible, otherwise refer such matter to the Performance Steering Committee;
- Use the Performance Management Process to give ongoing feedback to Employees and assess performance on a continuous basis;
- Reinforce good performance with appropriate recognition, dealing appropriately with performance deficiencies;
- Identify Employee development needs and work with Human Resources Department to implement specific development plans to address such needs; and
- Ensure that all Employees under direct management attend training to implement their development plans.
- Recommend rewards in terms of this policy.

9.2 Employees (Staff Members)

All Employees of the municipality who are subjected to the performance management and development system have the following responsibilities:

- To support the SDM's strategic objectives, departmental as well as own individual performance objectives;

- To take ownership of the performance management and development system;
- To request for feedback from Manager/Supervisor to monitor own performance;
- To give feedback to the Manager/Supervisor on progress with regard to their performance on a regular basis;
- To review own progress according to the performance agreement;
- Keep Manager/Supervisor informed of any problems or potential problems that may affect their ability to achieve some or all their performance objectives;
- To continuously improve their performance;
- To bring to Manager/Supervisor's attention, significant other outcomes that were delivered during this period and which may not be contained in the performance agreement, where applicable. This includes all other performance which the Employee regards as being outstanding and provide motivation thereof;
- To give input on appropriate action to be taken on areas of performance, which the supervisor has identified as not being satisfactory;
- To make contributions for the improvement of the performance management system; and
- To collect documented evidence of outcomes achieved.

9.3 Human Resources Department

9.3.1 Training

The Human Resources Division (HRD) has a responsibility to ensure that:

- All training requirements identified in the monitoring and reviewing phases of performance management are streamlined and included in the municipality's workplace skills plan;
- Training courses are budgeted for, arranged and communicated to all Employees in the municipality;
- Employee assistance is provided through the Employee Assistance Program to help Employees resolve personal problems that may adversely impact their work performance, conduct, health and well-being; and
- All employees are trained on the performance management and development system.

9.3.2 Human Resources Administration

The HRD is also tasked with keeping all the performance management records. These include:

- Employment Contracts;
- Performance Agreements; and
- Performance Assessments.
 - Quarterly reviews; and
 - Annual review (appraisals).

9.4 Municipal Systems

The Performance Management Manager/Practitioner housed within the Municipal Systems on behalf of senior management. It is the responsibility of Performance Management Manager/Practitioner to ensure that the system operates effectively and as such is required to exercise quality control by ensuring that performance management processes and procedures are followed and templates are used. Managers who require assistance with the processes of performance management should contact the Performance Management Manager/Practitioner for guidance.

The PM Manager/Practitioner shall also be responsible for the following:

- Administer and implement the performance management policy;
- Provide creative and educational material to Employees to constantly keep them aware of the importance as well as legislative mandate of performance management in the municipality;
- Conduct evaluation of the system to assess effectiveness where amendments to the system are required should be made. This will be done in consultation with the Performance Steering Committee or Municipal Manager. The assessments should be conducted at least once a year, preferably after the annual performance review process in the first year and every three years thereafter;
- Ensure that the performance management and development system assist the institution achieve its developmental objectives as contained in the GDS, IDP and other key sector plans;
- Annually review the performance management and development system and policy;
- Manage and arrange all meetings of the Performance Steering Committee; and
- Develop and maintain training material for all staff and conduct training on a regular basis and to all new employees.

NB: The responsibility for ensuring that Employee's performance is managed remains the responsibility of the Manager/Supervisor of the Employee.

9.5 Audit

In terms of the Municipal Systems Act, 2000 and in accordance with the Performance Management Regulations, (Chapter 3, Regulation 14), the municipality will implement mechanisms, systems and processes for auditing the results of performance measurements as part of the internal auditing processes. The internal audit on performance management includes the following:

- Ensure the functionality of the municipality's performance management and development system;
- Whether the municipality's performance management and development system complies with the Act;
- The extent to which the municipality's performance measurements are reliable in measuring performance of municipalities against key performance indicators set by the municipality referred to in **Section 26(c) of the Municipal Systems Act, (Act no. 32 of 2000)** as well as General Key Performance Indicators referred to in **Section 43 of the Municipal Systems Act (Act no 32 of 2000)**;

- On a continuous basis (quarterly and annually) audit the performance measurements of the municipality; and
- Submit quarterly reports on their audits to the Municipal Manager and the Performance Steering Committee.

9.6 Unions

The participation of the unions is critical to the acceptance and success of performance management and development system. The roles of the unions are to:

- Give input into the performance management and development system;
- Observe and monitor the implementation of the system;
- Educate and sensitise their members to support the system;
- Represent their employees in the event of grievances arising from the implementation of the performance management and development system; and
- Be represented in the Performance Steering Committee.

9.7 Performance Steering Committee

The performance steering committee shall be responsible for the overall strategic working of the performance management and development system in the municipality. It should perform the following specific functions:

- Operate as a moderating body to ensure consistency and integrity is maintained in the annual performance review process of individuals and departments/clusters. The committee will do this by sampling performance results of Employees with the highest and lowest performance scores in each department and where necessary request motivation from the Manager/Supervisor for the scores allocated. This way the committee will ensure that a level of fairness is achieved.

Preside on matters relating to appeals lodged by staff where no agreement is reached between an evaluator and evaluatee on final performance scoring and recommend appropriate action to resolve the matter.

The Municipal Manager after consultation with Executive Mayor shall appoint the Performance Steering Committee on an annual basis.

The following members are recommended to form part of the committee:

- Executive Director (Corporate Services);
- Human Resources Manager;
- Performance Management Manager/Practitioner;
- Integrated Development Plan Manager;
- Internal Audit Manager; and
- Two other managers appointed by Municipal Manager
- Labour representative
- One Councillor
- Legal Advisor.

A quorum of 60 % plus one of any members of the Performance Steering Committee shall apply.

10. PERFORMANCE MANAGEMENT AND DEVELOPMENT TRAINING

All Managers/Supervisors including Councillors are required to attend the following training to ensure that they fully understand the performance management and development system and that they have the necessary skills to effectively manage performance within their departments.

- **Performance Management and development System Training:** This is a training course designed to explain how the SDM's Performance Management System operates. The course covers the following aspects of the performance management cycle:
 - Planning performance and setting objectives at the beginning of the performance management cycle.
 - Monitoring
 - Reviewing
 - Rewarding/ Corrective Action
- **Coaching:** Managers/Supervisors receive training on coaching skills to effectively manage performance throughout the performance management cycle. This includes the following:
 - Giving positive feedback when required,
 - Reviewing Employee's progress against the objectives
 - Managing poor performance;
 - Providing day to day support, strategic direction and input to Employee's performance.
 - Drawing up effective development plans and rewarding good performance appropriately.

All Managers/Supervisors should be encouraged to attend the above mentioned training to ensure effective implementation and management of performance in the municipality. In the case of new managers/supervisors joining the municipality in the future, the courses should be presented as part of the induction programme.

11. PMS LINKED TO TRAINING AND DEVELOPMENT

All Employees will have Personal Development Plans (PDPs) as part of the performance agreements which will be completed at the end of the annual individual performance reviews. The PDP is an important tool to identify training and development gaps in order to develop an effective workplace skills plan for the municipality. The PDP will contain the following key information:

- Skill or performance gap identified;
- Desired outcome;
- Recommended training and/or development activity;
- Mode of delivering training and/or development;
- Target dates for training and/or development;
- Work opportunity to be created or development area identified; and
- Mentor to provide support in a specific work area.

The PDPs will assist in the development of the individual's ability in their current jobs as well as enable them build new capabilities to carry out higher level tasks. Furthermore the PDPs will provide the Managers/Supervisors and Employees with an opportunity to jointly identify training and development needs in order to improve Employee performance. Managers/Supervisors should consider the following training and development interventions when developing a PDP with their staff:

- On-the-job training: This involves structured training in which the subject matter expert within the department/unit works with the Employee to build that Employee's skill level;
- Mentoring: This involves identifying a senior person within the department or organisation who will act as a teacher, role model, trusted advisor, challenger, encourager and counsellor;
- Research: This requires the Employee to conduct research in a particular area in order to develop knowledge in that area;
- Part time or block study;
- Involvement in specific projects or tasks relevant to the identified skill or performance gap; and
- Secondment to another section/department to deepen understanding of work flow.

12. APPEALS PROCEDURES

- Employees have a right to bring a union representative to the review meeting should they decide to do so. The union representative will be tasked with monitoring and ensuring that the policy is applied fairly to the Employee.
- In a case where no amicable agreement is reached on the final scores between the Manager/Supervisor and Employee at the end of the performance appraisal review meeting, a neutral Manager/Supervisor at the level higher than the Employee will be assigned by the Performance Steering Committee to resolve the matter amicably. The Manager/Supervisor shall listen to both sides of the story and suggest a solution.
- Should the matter not be resolved the Employee has a right to follow the normal grievance procedure. If a solution is not reached within five working days, the matter can be referred to the Performance Steering Committee to propose a solution.
- If the Employee or Manager/Supervisor does not agree with the proposed solution of the Performance Steering Committee, they can appeal to the Municipal Manager.
- If the solution proposed by the Municipal Manager is not acceptable, the Employee and/or Manager/Supervisor has a right to follow the normal grievance procedure.

13. MANAGING POOR PERFORMANCE

Employees who perform poorly on their annual performance review shall be assisted by the municipality to improve their performance through the development of the PDPs referred to above.. The PDP is an improvement plan that sought to improve the performance of an Employee and is implemented in the following annual performance cycle.

In a case where an Employee consistently performs poorly even though an improvement plan is put in place, such Employee shall be warned officially by the municipality through the Performance Steering Committee of the poor performance. Should the Employee continue performing poorly in the following annual performance cycle for the second time, the municipality shall take appropriate action. This includes:

- Demotion to lower level of responsibility; or
- Dismissal.

In summary the following steps will be followed when dealing with poor performance in the municipality:

- Establish whether the Employee is failing to meet the required standard of performance;
- Assist the Employee in the form of training, mentoring, coaching, etc required to render satisfactory service and give him/her a fair opportunity to improve;
- Provide for a fair disciplinary hearing if performance fails to improve;
- Where dismissal is considered, the following shall be taken into consideration:
 - Did the Employee fail to meet the standard?
 - Was the Employee aware or should he/she have been aware of the required performance standard?
 - Was the Employee given a fair opportunity to meet the required standard? and
 - Is dismissal the appropriate sanction?

NB: The intention of the municipality shall always be to seek improvement in the performance of the Employee.

14. APPLICABLE DOCUMENTATION

The following documentation shall be used as per this policy:

- Integrated Development Plan (IDP) and the Service Delivery & Budget Implementation Plan (SDBIP) – for reference
- Performance Agreement – To be completed annually at the beginning of the municipality’s financial year or Employee’s contract of employment with the municipality
- Performance Plan – To be completed annually as part of the Performance Agreement to outline the department or individual performance plan (expectations) for the financial year.
- Performance Review – To be completed during quarterly performance reviews; and
- Personal Development Plan (PDP) – To be completed annually during the final review.