

BEAUFORT WEST MUNICIPALITY

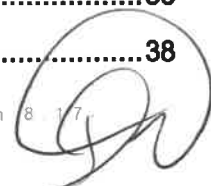


Policy	Performance Management Policy
Approved	26th June 2023
Authors	Human Resource
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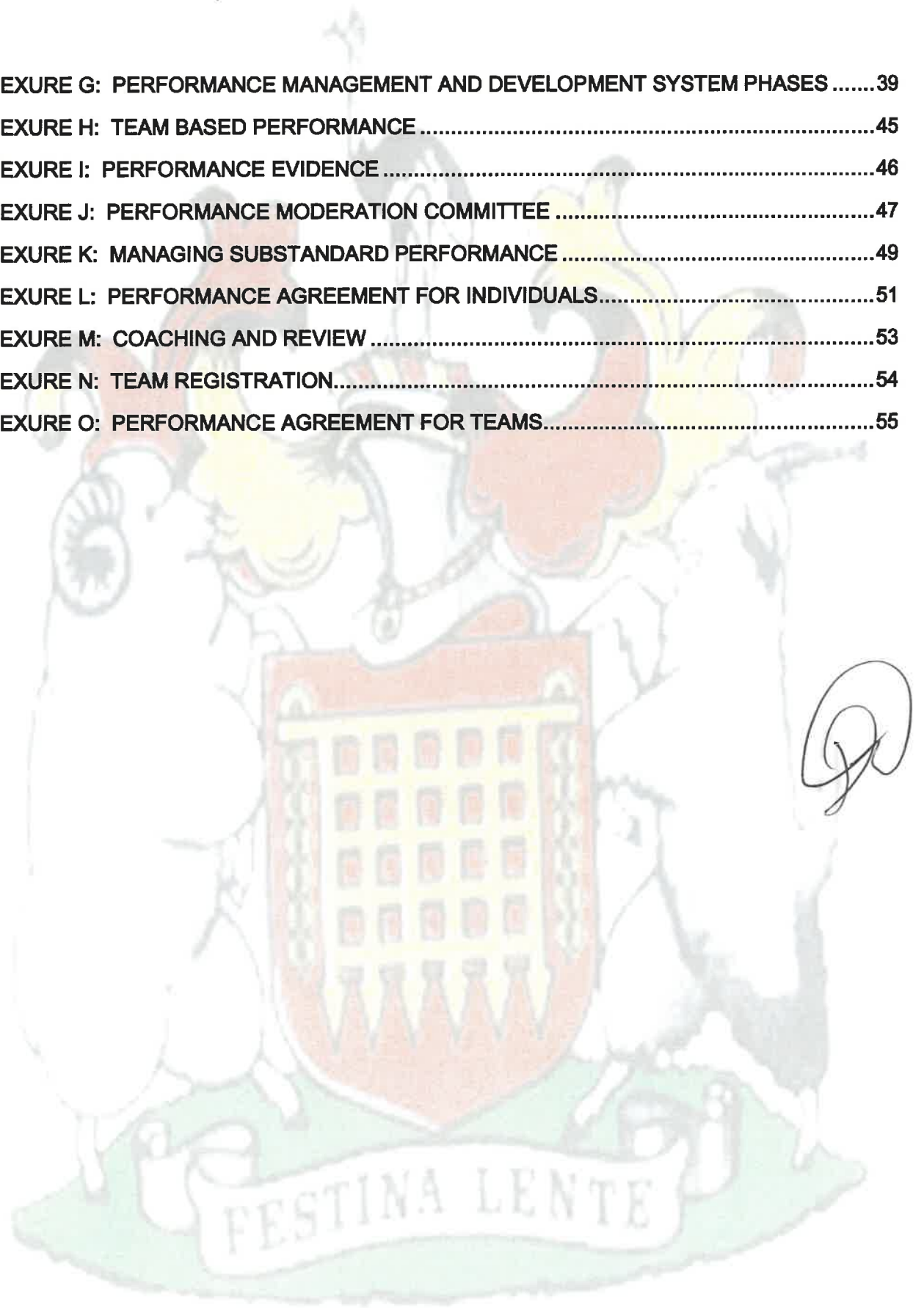
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1. PREAMBLE

Municipality places performance by all staff members at the forefront of service delivery, and has thus developed a policy to drive performance management across all levels and in synchronisation with other human resource management systems and processes.

2. PURPOSE

The purpose of this policy is to provide a standard framework for planning and continuous assessment of and optimisation of performance of all staff members in the Municipality.

3. SCOPE OF APPLICATION

This policy applies to all staff members of the Municipality, except a staff member who is:

- 3.1 Appointed on a fixed term contract with a duration of less than 12 months;
- 3.2 Serving notice –
 - 3.2.1 Of termination of his or her contract of employment; or
 - 3.2.2 To retire on reaching the statutory retirement age; and
- 3.3 Appointed on an internship programme or participating in the national public works programme or any similar scheme; and
- 3.4 Appointed in terms of sections 54A and 56 of the Municipal Systems Act.

4. LEGISLATIVE AND POLICY FRAMEWORK

- Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996)
- Municipal Systems Act, 2000 (Act No. 32 of 2000)
- Municipal Structures Act, 1998 (Act No. 117 of 1998)
- Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- Labour Relations Act, 1995 (Act No. 66 of 1995)
- Employment Equity, 1998 (Act No. 55 of 1998)
- Skills Development Act, (Act No. 97 of 1998)
- Local Government: Regulations on appointment and conditions of employment of senior managers, 2014
- Local Government: Municipal Staff Regulations, 2021
- Local Government: Guidelines for the Implementation of the Municipal Staff Regulations, 2021
- Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)
- Municipal Planning and Performance Management Regulations, 2001
- National Skills Development Strategy
- National Qualifications Framework



5. DEFINITIONS

All terminology used in this policy shall bear the same meaning as in the Regulations or applicable legislation, or as defined and / or explained in the Glossary of Terminology in the Human Resources Policies Manual.

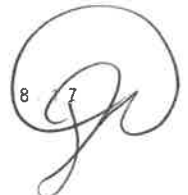
6. PROBLEM STATEMENT

[Unique to each Municipality's situation; state prevailing problems that the policy shall regulate and provide framework for managing them]

7. POLICY PROVISIONS

7.1 Performance management and development principles

- 7.1.1 The performance management and development system shall be collaborative, transparent, and fair.
- 7.1.2 The municipality shall apply the performance management and development system in a consultative, supportive and non-discriminatory manner in order to enhance organisational efficiency, effectiveness and accountability.
- 7.1.3 The performance management and development system shall be underpinned by an open, constructive and on-going communication between the supervisor and the staff member.
- 7.1.4 The performance management and development system shall, where reasonably practicable, link to –
- (a) The Municipality's strategic objectives and Integrated Development Plan, the SDBIP of the relevant Municipal department; and
 - (b) The senior manager's performance plan and the performance plans of the staff members falling under that senior manager's department.
- 7.1.5 The performance management and development system shall be developmental, while allowing for –
- (a) An effective response and relevant measures to manage substandard performance; and
 - (b) Recognition and reinforcement of fully effective performance, performance significantly above expectations and outstanding performance.
- 7.1.6 The performance management and development system shall be integrated with other human resource policies and practices, as well as any other organisational development initiatives of the Municipality.



7.1.7 The performance management and development system shall promote productivity and optimise skills development targets.

7.1.8 The performance management and development system shall ensure that realistic and achievable outputs are set for staff members.

7.2 Determination of performance management and development system

The objective of the performance management and development system is to –

7.2.1 Promote the objects and developmental duties of the Municipality as set out in Sections 152 and 153 of the Constitution;

7.2.2 Promote a culture of service to the public, accountability, mutual co-operation and assistance amongst staff members;

7.2.3 Institutionalise performance planning, monitoring and evaluation in the Municipality;

7.2.4 Maximise the ability of the municipality as a whole to achieve its objectives and improve the quality of life of its residents by aligning municipal-wide, departmental and individual performance;

7.2.5 Build a common understanding among staff members of the Municipality's objectives contained in the Integrated Development Plan (IDP) and annual performance plan;

7.2.6 Set clear performance indicators and performance targets by communicating to staff members how their roles contribute to the success of the Municipality;

7.2.7 Build individual capability, skills, competencies that are key to the Municipality achieving its mandate and objectives and encourage commitment among staff members;

7.2.8 Create an enabling environment to plan, monitor and measure performance against set targets or outputs;

7.2.9 Encourage desired behaviours as articulated in the Code of Conduct for Municipal Staff Members, as contained in Schedule 2 to the Municipal Systems Act;

7.2.10 Identify and improve substandard performance of staff members;

7.2.11 Recognise performance of staff that have achieved a rating of performance significantly above expectations and outstanding performance.

7.3 Performance management and development system

7.3.1 A staff member of the municipality is a public servant in a developmental local government system, and therefore shall –



- (a) Be committed to serve the public and to a collective sense of responsibility for performance in terms of standards and targets; and
- (b) Participate in the overall performance management system of the municipality, as well as the staff members' individual performance evaluation and reward system in order to maximise the ability of the municipality as a whole, to achieve its objectives.

7.3.2 The Municipality, as represented by the relevant supervisor, and staff member shall, during the planning phase, agree on –

- (a) The performance objectives and targets that the staff member is expected to achieve during a performance cycle;
- (b) Specific performance standards, weightings for targets and performance indicators for measuring achievement of performance against set targets; and
- (c) Job specific competencies to be assessed in the performance cycle.

7.3.3 The supervisor and staff member shall ensure that performance management is aligned to the staff member's job, and KPAs relevant to the post that the staff member holds.

7.3.4 The KPAs shall relate to the staff member's functional area and shall consist of not less than 5 and not more than 7 KPAs.

7.3.5 The KPIs—

- (a) Include the input, quality or impact of an output by which performance in respect of a KPA is measured; and
- (b) Shall be measurable and verifiable.

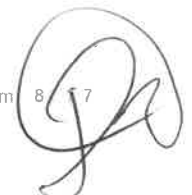
7.3.6 The performance standard for each KPI may be qualitative or quantitative, but shall also satisfy the criteria set out in 7.3.5 above.

7.3.7 The KPA weighting demonstrates the relative weight of each KPA.

7.3.8 The job specific competencies, as derived from Annexure A of the Municipal Staff Regulations, shall include the name and definition of the specific competency, the expected level of capability, the relevant weightings, be specific and applicable to the job of the staff member.

7.3.9 The staff member's job specific competencies shall not exceed six competencies within a performance cycle.

7.3.10 The supervisor shall, during the performance cycle, monitor, coach and provide feedback to the staff member.



7.3.11 The supervisor and staff member shall undertake a formal mid-year performance review. The review shall be recorded as a formal engagement between the supervisor and staff member.

7.3.12 The supervisor and staff member shall undertake an annual performance assessment for each performance cycle based on the performance agreement.

7.3.13 The criteria upon which the performance of the staff member shall be assessed consist of two components: KPAs and job specific competencies. The staff member's performance shall be assessed against both components. KPAs covering the main areas of the work will account for 80% of the weight while the job specific competencies will constitute 20% of the overall assessment result as per the weightings agreed in terms of the performance agreement.

7.3.14 The supervisor and staff member shall conclude the annual performance assessment process as a formal engagement co-signed by the supervisor and staff member. The annual performance assessment shall be recorded and signed by the supervisor and staff member.

7.3.15 The supervisor shall ensure that any relevant personal development and career incidents are deliberated upon with the staff member during the performance appraisal or assessment.

7.4 Performance agreement

7.4.1 A supervisor and staff member shall enter into a performance agreement for each performance cycle of the municipality.

7.4.2 The performance agreement of –

- (a) a serving staff member shall be concluded within 30 days of the commencement of the new financial year of the municipality; and
- (b) a staff member shall be concluded within 60 days of—
 - (i) His or her appointment after probation as from 1 July of the new financial year;
 - (ii) His or her transfer or promotion to a new post; or
 - (iii) His or her return from prolonged leave that is more than three months.

7.4.3 If at any time during the period of the performance agreement, the responsibilities of the staff member change to the extent that the performance plan in the performance agreement is no longer appropriate, the parties shall revise the performance agreement.

7.4.4 The performance agreement shall not diminish the obligations and duties of a staff member in terms of the staff member's employment contract, or any applicable regulations or municipal policy.



7.4.5 The performance agreement shall include a performance plan that contains–

- (a) The name, job title and the department of the staff member;
- (b) The objectives or targets;
- (c) The KPAs, their weightings and the target date for meeting the KPA;
- (d) The KPIs and the performance standard for each KPI;
- (e) The name and definition of the job specific competencies, their weightings and the expected level of capability for each competency;
- (f) A personal development plan prepared as prescribed in terms of the skills development policy;
- (g) The process of monitoring and assessing performance, including the planned dates of assessment.

7.5 Team-based performance

7.5.1 The Municipality shall establish a team-based performance management and development system for a category of staff below the level of a supervisor that will assist the municipality in managing probation, rewards, and skills development of staff members, which is consistent with the principles under clause 7.1.

7.5.2 Before implementing the team-based performance management and development system, the Municipality shall –

- (a) Pilot the system on a team of staff members in all affected occupational streams; and
- (b) Consult the system with recognised trade unions within the Local Labour Forum.

7.6 Performance monitoring and review

7.6.1 The monitoring process shall involve a manager consistently measuring performance on the job and providing ongoing feedback to staff members and teams on progress towards reaching staff member and team goals.

7.6.2 The monitoring of performance shall include conducting progress assessment with staff member and teams through one-on-one or team engagement sessions during which their performance is compared against predetermined performance standards.

7.6.3 The supervisor shall offer coaching when required in order to reinforce effective performance or bring the performance of the staff member closer to the expected standards.

7.6.4 The performance of the staff member shall be reviewed at mid-year to assess the staff member or teams' progress towards meeting performance targets, to identify challenges and agree to solutions and to consider reviewing targets resulting from workplace changes beyond the staff member or team's control.



7.6.5 The municipality may review the performance of a staff member at any other time and on an ongoing basis to offer coaching and feedback.

7.7 Performance evaluation

7.7.1 The annual performance evaluation shall involve –

- (a) an assessment of the extent to which the staff member achieved the performance objectives and targets as outlined in the performance plan, which comprises:
 - (i) Each KPA assessed to determine the extent to which the specified standards or KPI have been met, with due regard to ad hoc tasks that had to be performed under that KPA;
 - (ii) An indicative rating on the prescribed five-point scale under 7.7.2 below provided for each KPA; and
 - (iii) The rating assigned to each KPA multiplied by the weight given to that KPA to provide a weighted score for that KPA.
- (b) an assessment of the extent to which the staff member achieved the job specific competencies outlined in the performance plan, which comprises:
 - (i) Each competency assessed to determine the extent to which the specified standards or KPIs have been met;
 - (ii) An indicative rating on the prescribed five-point scale under 7.7.2 below provided for each job specific competency; and
 - (iii) The rating assigned to each job specific competency is multiplied by the weight given to that competency to provide a score for that competency.

7.7.2 The prescribed five-point rating scale below shall apply to all staff members:

Level	Terminology	Description
5	Outstanding performance	Performance far exceeds the standard expected of a staff member at this level. The appraisal indicates that the staff member has achieved above fully effective results against all performance criteria and indicators as specified in the Performance Agreement and Performance Plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectation	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the staff member has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.



- | | | |
|---|---------------------------------|---|
| 3 | Fully effective | Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the staff member has fully achieved effective results against all significant performance criteria and indicators as specified in the Performance Agreement and Performance Plan |
| 2 | Performance 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 staff member has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the Performance Agreement and Performance Plan. |
| 1 | Unacceptable performance | Performance does not meet the standard expected for the job. The review/ assessment indicates that the staff member has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the Performance Agreement and Performance Plan. The staff member 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. |

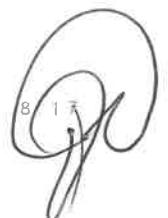
7.7.3 An overall rating shall be calculated by using the assessment rating calculator as provided in Annexure F to this policy. Such overall rating represents the outcome of the performance appraisal.

7.7.4 The annual performance evaluation shall determine a performance rating for the performance cycle.

7.7.5 The staff member assessed or the person designated in terms of 7.7.7 below shall provide the supervisor with a portfolio of evidence relating to his or her KPAs for the entire performance cycle.

7.7.6 The maintenance and provision of the portfolio of evidence to support the decision on the final score to each KPA and competency, shall be the responsibility of the staff member.

7.7.7 Despite 7.7.6 above, the municipal manager may exempt categories of staff from maintaining a portfolio of evidence in which case the municipality shall determine alternative mechanisms, or designate a staff member who will maintain the portfolio of evidence of those staff members.



7.7.8 The evaluation of the performance of the staff member shall be conducted by that staff member's supervisor or his or her delegate.

7.7.9 The staff member's supervisor shall keep a record of all assessment meetings.

7.7.10 Personal growth and career development needs identified during any performance review or assessment, together with the actions and timeframes agreed to, shall be recorded in the staff member's personal development plan.

7.7.11 Once the annual performance evaluation has been concluded, the performance assessment reports and outcomes shall be subjected to departmental moderation processes in terms of this policy.

7.8 Performance moderation

7.8.1 The municipal manager shall establish departmental performance moderation committees, which shall be convened annually.

7.8.2 Performance moderation processes shall 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.

7.8.3 The departmental performance moderation committees shall be constituted as follows:

- (a) The relevant heads of departments, who shall act as chairpersons in the committees;
- (b) All managers directly accountable to the heads of departments, who shall be recused from the committee before their assessments are considered by the committee; and
- (c) A senior human resource functionary who will advise, guide and provide support, including arrangements for secretariat services.

7.8.4 The purpose of the departmental performance moderation committee is to—

- (a) Conduct moderation of annual staff member performance results in order to ensure that the norms and standards for performance management and development systems are applied in a fair, realistic and consistent manner across the department;
- (b) Assess and compare the performance and contribution of each staff member with his or her peers towards the achievement of departmental goals;
- (c) Ensure fairness, consistency and objectivity with regard to dispersal of performance recognition and ratings achieved for a common understanding amongst supervisors of the performance standards required at each level of the performance rating scale;



- (d) Determine the cost implications for recognition of performance of all staff members within the department;
 - (e) Recommend the moderated performance scores for all staff members to the municipal moderating committee for approval;
 - (f) Ensure that performance rewards are based on affordability;
 - (g) consider the impact of the performance assessments on financial rewards and options for various forms of recognition;
 - (h) Recommend performance rewards as well as remedial actions for performance considered to be below effective performance; and
 - (i) Ensure that the integrity of the performance management and development system is protected.
- 7.8.5 If the 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 shall not reassess, amend or adjust the performance ratings of a staff member, but shall refer the assessment back to the relevant supervisor for reassessment in consultation with the affected staff member.
- 7.8.6 Upon conclusion of the reassessment, the departmental moderation committee may reconvene to moderate the assessment of the staff member concerned.
- 7.8.7 If the supervisor fails to reassess the staff member within the stipulated timeframe despite the request to do so by the relevant authority, or the departmental moderation committee still has reason to believe that the performance ratings are not substantiated, the moderation committee may request the higher level supervisor to reassess the relevant staff member.
- 7.8.8 The affected staff member shall be consulted and be offered an opportunity to respond.
- 7.8.9 The municipal council shall establish a municipal moderation committee, which shall be convened annually.
- 7.8.10 The municipal moderation committee shall be constituted as follows:
- (a) The municipal manager, who shall act as the chairperson of the committee;
 - (b) All heads of departments;
 - (c) Head of municipal planning and organisational performance;
 - (d) Head of the municipal internal audit;
 - (e) A senior human resource functionary to guide, advise and provide support, including arrangements for secretariat services; and
 - (f) A performance specialist, where applicable.



7.8.11 The purpose of the municipal moderation committee is to—

- (a) Provide oversight over the staff member performance management and development system to ensure the performance management process is valid, fair and objective;
- (b) Moderate the overall performance assessment score for staff members determined after the departmental moderation processes;
- (c) Ensure that the final individual performance ratings are fair across each grade and department or directorate;
- (d) 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;
- (e) 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;
- (f) Recommend appropriate recognitions for different levels of performance;
- (g) Recommend appropriate remedial actions for performance believed to be substandard;
- (h) Advise the municipality on recognition of performance, including financial and non-financial rewards, where applicable;
- (i) Identify potential challenges in the performance management system and recommend appropriate solutions to the municipal manager;
- (j) Identify developmental needs for supervisors to improve the integrity of the performance management and development system; and
- (k) Consider any other matter that may be considered relevant.

7.9 Performance rewards

7.9.1 A performance related reward –

- (a) Is at the discretion of the municipality; and
- (b) May be awarded to a staff member—
 - (i) Who has served the full assessment period of 12 months on 30 June of each financial year of a municipality;
 - (ii) Transferred or seconded horizontally during the performance cycle within the municipality;
 - (iii) Who is on uninterrupted approved leave for 3 months or longer;
 - (iv) Who is on approved maternity leave for more than 3 months; and
 - (v) Who received a performance rating of performance significantly above expectations or outstanding performance during a performance cycle after moderation of performance results?
- (c) May not be awarded to a staff member—



- (i) Appointed after 1 July of that performance cycle;
- (ii) Who is serving probation as stipulated in this policy;
- (iii) Whose performance period is less than 12 months;
- (iv) Whose employment is for a fixed term duration of less than 12 months; or
- (v) Whose post was upgraded without a change in performance agreement?

7.9.2 The municipality shall limit its spend on staff member performance rewards to 1.5% of the annual salary and wage bill.

7.10 Disputes about performance agreements and ratings

7.10.1 Any dispute about performance objectives or targets shall 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.

7.10.2 A dispute relating to the conclusion of the performance agreement or an amendment to the performance agreement, shall 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.

7.10.3 A dispute contemplated in clause 7.10.2 shall be resolved within one month of receipt of the dispute by the head of the department, after –

- (a) Considering the representation from the staff member and his or her supervisor; and
- (b) Consulting the head of human resources.

7.10.4 A staff member who is not satisfied with the outcome of the procedure may lodge a dispute in terms of the dispute resolution mechanisms of the SALGBC.

7.11 Managing substandard performance

7.11.1 A staff member who receives a performance rating below three in terms of the prescribed five-point rating scale shall –

- (a) Be assisted in developing his or her competencies through training, and supervision; and
- (b) Develop a revised personal development plan with his or her supervisor.

7.11.2 The personal development plan shall contain at least –

- (a) a description of the behaviour and skills that require improvement;



- (b) a description of the actions that will be undertaken to improve the identified behaviour and skills that require improvement;
- (c) The deadlines for improvement
- (d) A schedule of meetings to assess improvements and provide feedback; and
- (e) Details of the potential consequences in the event that there is no improvement in performance.

7.11.3 The meetings to assess improvements and provide feedback shall be recorded in writing.

7.11.4 The personal development plan to manage performance improvement shall cover a maximum period of six months, at the end of which, a formal evaluation of performance shall take place.

7.11.5 The following alternatives shall be considered in respect of a staff member whose performance has not improved to at least a performance that is fully effective:

- (a) Continuation of the actions referred to in the personal development plan
- (b) Alternative actions to improve performance
- (c) Offering the staff member an alternative job within the Municipality that is better suited to the staff member's behaviour and skills; or
- (d) Dismissal owing to incapacity in terms of the provisions of the Labour Relations Act.

7.11.6 Poor work performance shall be dealt with in accordance with item 9 of Schedule 8 to the Labour Relations Act.

7.12 Performance management of staff members who are acting in posts

If a staff member is required to act in a post for a period that exceed three months, the supervisor to whom the acting staff member is reporting, shall 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.

7.13 Roles and responsibilities

7.13.1 The Municipality shall –

- (a) Create an enabling environment to facilitate effective performance by the staff member;
- (b) Within the available resources, provide access to skills development and capacity building opportunities;
- (c) Work with the staff member to solve problems and generate solutions to common problems that may impact on the performance of the staff member;



- (d) On the request of the staff member delegate such powers reasonably required by the staff member to enable him or her to meet the performance objectives and targets established in terms of the performance agreement;
- (e) Within the available resources of the Municipality, make available to the staff member such resources as that staff member may reasonably require from time to time to assist the staff member to meet the performance objectives and targets established in terms of the performance agreement;
- (f) Consult the staff member timeously where the exercising of the powers will have, amongst others—
 - (i) A direct effect on the performance of any of the staff member's functions;
 - (ii) Commit the staff member to implement or to give effect to a decision made by the Municipality; and
 - (iii) A substantial financial effect on the Municipality.

7.13.2A supervisor shall ensure that –

- (a) The annual performance plan's KPIs with regard to the Municipality's development priorities and objectives are –
 - (i) Linked to each department's objectives; and
 - (ii) The KPAs in the performance agreements of the staff member.
- (b) The KPAs of staff members in a department serve to achieve all the department's objectives;
- (c) Performance standards are specific, measurable, attainable, relevant, linked to specific time periods and in line with the ability of the staff member;
- (d) S staff member signs a performance agreement as prescribed or as determined in accordance with the applicable procedure;
- (e) He or she monitors progress and measure performance of staff member;
- (f) He or she provides regular constructive feedback to the staff member; and
- (g) He or she are available to support the staff member through the performance period.

7.13.3 The manager responsible for human resources or the staff member to whom this responsibility is delegated shall –

- (a) Provide support to the annual performance management process;
- (b) Provide guidelines on how to set KPAs and KPIs and their related targets;
- (c) Communicate to all staff members the performance calendar for the forthcoming financial year;
- (d) Facilitate training on performance management for new and existing staff members;
- (e) Provide guidance on setting development plans;



- (f) Consolidate the results of the performance management process and ensure that the identified development needs are incorporated into the annual training and development plan;
- (g) Prepare reports on performance ratings and salary budgets and expenditure for consideration by the Municipal Council or a duly appointed Committee of the Council; and
- (h) Communicate the performance assessment outcomes, including the final performance rating, the salary notch according to the salary scales, and any performance related salary increase.

7.13.4A staff member shall –

- (a) Participate in setting his or her annual KPAs and KPIs;
- (b) Enter into a performance agreement annually with the Municipality;
- (c) Remain committed to the KPAs and KPIs throughout the performance period and be accountable for his or her performance;
- (d) Take responsibility for his or her personal development and learning opportunities;
- (e) Where applicable, maintain a portfolio of evidence if required;
- (f) Actively seek out and be open to feedback; and
- (g) Know what is expected of him or her.

8. POLICY MONITORING AND EVALUATION

- 8.1 This policy shall be implemented and effective once recommended by the Local Labour Forum and approved by Council.
- 8.2 Non-compliance to the stipulations contained in this policy shall be regarded as breach of Code of Conduct, which shall be dealt with in terms of the Code of Conduct.
- 8.3 Head of Corporate Services shall carry out the monitoring and evaluation of the policy's implementation.


9. POLICY APPROVAL

This policy was formulated by HR Management in consultation with the Local Labour Forum.

Authorised by Municipal Manager:

Signature: _____

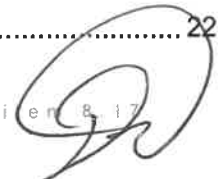
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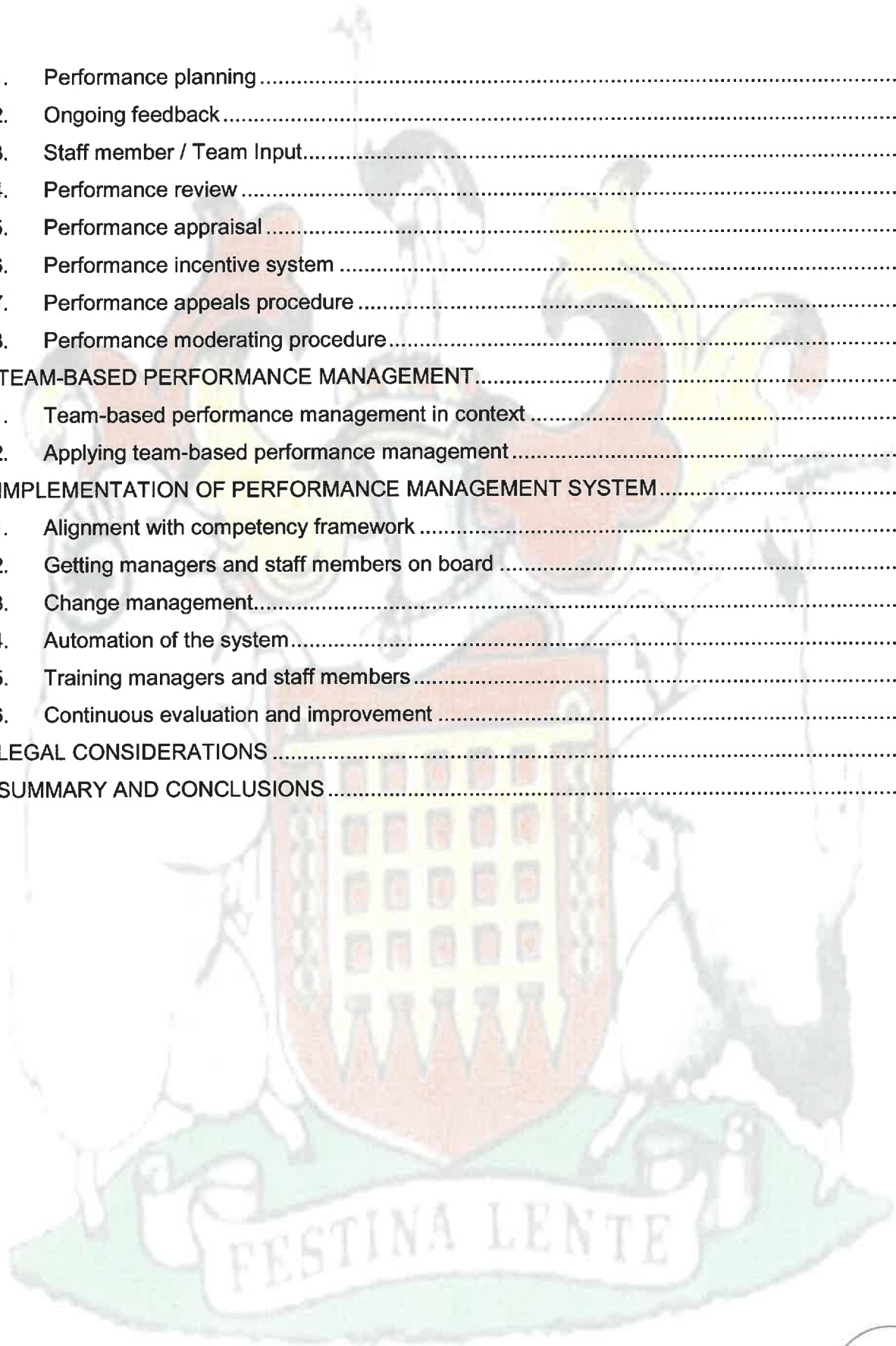
ANNEXURE A: PERFORMANCE MANAGEMENT SYSTEM

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PERFORMANCE MANAGEMENT SYSTEM

1. DEFINITION OF PERFORMANCE MANAGEMENT

Performance management is the process through which a manager or supervisor meets or discusses with a staff member or a team of staff members to support Municipal and personal development goals. Performance management involves quarterly review processes with regular communication to check in on progress toward strategic goals and performance improvement, and an annual appraisal process to assess performance against strategic goals.

2. IMPORTANCE OF PERFORMANCE MANAGEMENT

- 2.1. Performance management is a critical focus for the Municipality as it affects financial performance, productivity, staff member retention and municipal culture. Some of the other benefits of performance management include greater efficiency, accountability and staff member satisfaction.
- 2.2. Performance management process links strategic objectives with individual and team goals, motivating staff members to feel connected to municipal goals and their continuous improvement.

3. PERFORMANCE MANAGEMENT SYSTEM

- 3.1. Performance management system is a standardised performance management tool and process put in place for goal-setting and measuring individual and team performance. Performance management system aligns with municipal culture and strategy, helps with talent management, and serve as a performance appraisal tool for managers, staff members and teams.
- 3.2. Performance management system is also a tool used to identify skill gaps, reflect on good management techniques, and provide data for development or succession planning.

4. UTILISATION OF PERFORMANCE MANAGEMENT SYSTEM IN THE MUNICIPALITY

- 4.1. The Municipality's performance management system is utilised for mainly two purposes:
 - 4.1.1 For decision-making, whereby the appraisal information is used as a basis for pay increases, promotions, transfers, assignments, reductions in staff and other administrative human resources activities.
 - 4.1.2 For development, whereby the appraisal information is used to guide the training, job experiences, mentoring and other developmental activities that staff members will engage in to develop their capabilities.



- 4.2. Ratings used for decision-making shall be objective, with staff members receiving ratings based on portfolio of evidence against pre-set objectives.
- 4.3. Ratings for developmental purposes shall be more variable, reflecting both staff member strengths and development needs.
- 4.4. The performance management system has a well-articulated process for accomplishing evaluation activities, with defined roles and timelines for both managers, individual staff members, and teams.

5. PERFORMANCE MANAGEMENT PROCESS

The performance management system has the following features:

5.1. Performance planning

- 5.1.1 The Municipality's performance management cycle is aligned to the financial year, namely 1st July to 30th June.
- 5.1.2 At the beginning of the performance management cycle, sessions are held with staff members, as individuals and / or as teams where the nature of work warrants it, to review or set their performance expectations.
- 5.1.3 This review or setting includes both the behaviours staff members are expected to exhibit, and the results they are expected to achieve during the upcoming rating cycle.
- 5.1.4 Behaviours are important because they reflect how a staff member goes about getting the job done, how the individual supports the team, communicates, mentor others and so forth. The review ensures the achievement of exceptional results with behaviour that is helpful, considerate, and interpersonally effective.
- 5.1.5 Behaviour and results expectations are tied to the Municipality's strategic direction and objectives, such as optimised service delivery, customer satisfaction, community participation, and private sector partnerships.
- 5.1.6 Results to be achieved by individuals or teams are to be tied to the Municipality's strategy and goals. The development needs of staff members shall also be taken into account in the goal setting processes. The development needs shall be targeted either to improving current job performance or to prepare for career advancement. For example:
 - Complete project "A" (e.g., *Construction of Road R747 from km 5 to km 22*) by time "B" (e.g., *End of 3rd Quarter of Financial year*)
 - Increase revenue (e.g., *Drivers' license testing revenue*) by 5%.
 - Successfully mentor staff member "G" (e.g., *Graduate Engineer*) to develop skill "W" (e.g., *Developing a Municipal Integrated Transport Plan – ITP*)



5.1.7 In some situations, it is challenging to see direct relationships between high-level strategic goals and what a particular individual can achieve in his or her job. To remedy this, strategic goals shall be translated and cascaded into more refined goals and expectations at the division, team and individual levels. This shall be carried out through a series of meetings, and as follows:

- (a) Senior managers first develop departmental goals that align with the Municipality goals.
- (b) Middle managers develop divisional goals that align with the division goals.
- (c) Managers develop group goals that align with sectional goals.
- (d) Supervisors develop teams' and individuals' goals.

5.1.8 The following shall guide in establishing effective performance goals:

- (a) Goals to clearly define the end results to be accomplished;
- (b) To the extent possible, goals to have a direct and obvious link to Municipal success factors or goals;
- (c) Goals to be difficult, but achievable, to motivate performance; and
- (d) Goals to be set in no more than three areas, unless otherwise explained, as attempting to achieve too many different goals at once will impede success.

5.1.9 A performance agreement or contract shall be used to capture the performance expectations (i.e., results and behaviours) of each individual, or team of staff members. Performance agreement / contract is an instrument / template containing a mutual agreement between a staff member, or team, and their direct superior or supervisor to achieve results according to standards or measures which are aligned with the Municipality's Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP).

5.2. Ongoing feedback

5.2.1 Performance in both results and behavioural expectations should be discussed and feedback provided on an ongoing basis throughout the performance / rating period.

5.2.2 Feedback is to be provided whenever exceptional or ineffective performance is observed.

5.2.3 Periodic feedback about day-to-day accomplishments and contributions is also to be provided.

5.2.4 Feedback to be a two-way communication process and a joint responsibility of managers and staff members.

5.2.5 Both managers and staff members are to be trained about their roles and responsibilities in the performance feedback process.



5.2.6 Managers' responsibilities include providing feedback in a constructive, candid and timely manner.

5.2.7 Staff members' responsibilities include seeking feedback to ensure they understand how they are performing and reacting well to the feedback they receive.

5.2.8 Feedback to be given in close proximity to the event to have the most value.

5.2.9 The following shall guide in providing effective feedback:

- (a) Provide immediate positive and developmental feedback in a private location.
- (b) Ask for the staff member's or team's view about what could have been done differently.
- (c) Be specific about what behaviours were effective or ineffective.
- (d) Focus on what the person or team member did or did not do, not personal characteristics.
- (e) Collaboratively plan steps to address development needs.
- (f) Offer help in addressing development needs and providing resources.

5.3. Staff member / Team Input

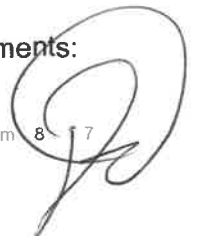
5.3.1 Staff members and teams are to be asked to prepare statements of their key results or most meritorious accomplishments at the end of the performance / rating period.

5.3.2 Staff member and team accomplishments are effective predictors of how successfully staff members will perform at higher job levels, or how teams will perform with more complex assignments, and they thus provide useful input for, among other things, promotion decisions, and increased project scope.

5.3.3 Staff member and team input provide the following positive results:

- (a) It involves staff members and teams in the process, enhancing ownership and acceptance.
- (b) It reminds managers about the results staff members and teams have delivered and how they were achieved.
- (c) Staff member- and team-generated accomplishments can be included in the formal appraisal, decreasing managers' writing requirements.
- (d) Staff member and team input increases communication and understanding. Managers and staff members usually review and discuss the accomplishments before they become part of the appraisal, resulting in fewer disconnects between the manager's and the staff member's or team's views of the staff member's or team's contributions.
- (e) Staff member accomplishments can be retained and used as input for pay or promotion decisions.

5.3.4 The following shall guide in writing staff member and team accomplishments:



- (a) Include the situation or circumstances faced by the staff member or team.
- (b) Describe what specific actions the staff member or team took to achieve results.
- (c) Describe the impact of the accomplishment on the work unit or Municipality.

5.4. Performance review

5.4.1 Performance is to be reviewed quarterly, using a performance assessment system, a template containing rating scales, standards or measures, and weights assigned to the key performance areas and outputs according to the time spent and / or priority to deliver that specific output.

5.4.2 In reviewing behaviours, the Municipality utilises the competency model as the basis. This includes the full array of factors associated with success, namely: technical, leadership and interpersonal. The Municipality articulates clearly how competency expectations change at different job levels, such as entry-level staff member, experienced staff member, and manager, and as well as what reflects more or less effective job performance at each level.

5.4.3 Behaviour standards along competencies are used as follows:

- (a) To communicate key performance factors and expectations.
- (b) To show distinctions in effectiveness levels that help supervisors explain why a staff member was evaluated in a particular way.
- (c) To provide a job-relevant basis for evaluating staff members, increasing fairness.

5.4.4 Key results to be achieved vary for different staff members or teams, depending on the nature of the job and assignments. For example, some staff members or teams may:

- (a) Have production results;
- (b) Be responsible for successfully developing and implementing new programmes or systems;
- (c) Have specific levels of customer satisfaction outcomes they are expected to reach; and
- (d) Have staff member development or team leadership results.

5.4.5 To measure and review results, managers must:

- (a) Track various objective indicators of performance, such as revenue, profitability, and production.
- (b) Obtain performance review information from managers, peers, direct reports or clients / customers. This type of rating process is referred to as 360-degree feedback.

5.4.6 Performance review in special situations:



- (a) The Municipality is faced with specialised situations that require variations to the standard performance management model. For example, increasing numbers of staff members are working in remote locations, virtually or telecommuting. The challenge here is ensuring that accurate performance information is collected when supervisors may have limited access to staff members' day-to-day activities.
- (b) To address this situation, the Municipality uses a combination of fine-tuning what is reviewed, such as:
 - (i) Focusing on performance areas where observations can be made, or performance information is available.
 - (ii) Focusing more on results than on less visible behaviours.
 - (iii) Collecting information from others who have opportunities to observe performance.
 - (iv) Review of team or unit-level performance in addition to, or instead of, individual performance. This is done with the same process of defining performance standards, expectations and goals.

5.5. Performance appraisal

5.5.1 Performance appraisal rides on the back of feedback that has been provided on an ongoing basis, and as a recap of what has occurred throughout the performance / rating period. This means that there should be no surprises in the performance appraisal.

5.5.2 During this meeting, managers are to discuss with staff members or teams their ratings, narratives and rationale for the evaluation given.

5.5.3 The performance appraisal session is also to be used as the time to plan developmental activities with staff members and teams.

5.5.4 Performance appraisal utilises, as it is the case with performance reviews, the performance assessment system to record the evaluation.

5.6. Performance incentive system

5.6.1 The Municipality utilises a performance incentives system, a guideline containing recommended performance incentives aligned to remuneration scales.

5.6.2 This guideline is made up of a top-down approach to awarding incentives, where staff members or teams with the highest scores receive highest incentives, and a cash bonus related to a percentage of the staff member's total annual remuneration package, or other non-cash incentives as considered by the Municipal Council for the year under review, or performance cycle.

5.7. Performance appeals procedure



The Municipality utilises a performance appeals procedure, as a guideline for managing all disagreements on the achievement of specific outputs and on assessment / rating scores.

5.8. Performance moderating procedure

The Municipality utilises a performance moderating procedure, as a guideline to manage and ensure performance planning, staff member and team inputs, quarterly performance reviews, and annual performance appraisal compliance and objective implementation.

6. TEAM-BASED PERFORMANCE MANAGEMENT

6.1. Team-based performance management in context

6.1.1 Team-based performance management is an approach to holding teams responsible for plans and results, where action plans and performance metrics are structured around teams rather than individuals.

6.1.2 Where the Municipality adopts a team-based performance management approach for a group of staff members, it is to evaluate institutional culture as the primary determinant of performance. This is also to create more direct lines of reporting and increased accountability for results. In addition, the Municipality applies this approach based on the following values:

- (a) Strong teams deliver the best results.
- (b) Measuring, rating and ranking performance helps teams work better and deliver better results.
- (c) Every team and every team member know that they matter.
- (d) Recognising efforts by hard-working teams instils pride and help teams who need it most instil confidence.
- (e) When teams succeed, the Municipality become resilient, its performance optimised, which directly benefits residents and their prospects for the future.


6.2. Applying team-based performance management

Team-based performance management process is to be exactly as that of individuals, including applying the performance management tools and instruments, except the following:

6.2.1 Manager or supervisor of the team shall facilitate intensive team-based discussions set goals and a range of key performance indicators.

6.2.2 Manager or supervisor of the team shall facilitate mid-year team-based performance discussions and annual performance reporting.

6.2.3 Teams shall initially self-assess their own performance, while the manager or supervisor moderates, ensuring independent validation of scores, and facilitate discussion based on evidence of progress.



6.2.4 Individuals in the team shall self-evaluation, self-monitor, and self-regulate to identify areas where they can improve their contributions to the team.

6.2.5 Team members shall carry out peer evaluations to assess each other's' strengths and weakness, and collectively discuss how team performance can be improved. This shall be based on the set objective standards of behaviour and results expectations.

6.2.6 In assessing team learning, managers or supervisors of teams shall:

- (a) Identify learning strategies and processes in relation to team goals;
- (b) Use questions to determine what the team members were able to do easily versus with difficulty;
- (c) Identify strategies needed to close learning gaps;
- (d) Use self-assessments to encourage each team member to take responsibility of their learning; and
- (e) Learn from assessments to improve future achievements.

6.2.7 In assessing team performance, managers or supervisors of teams shall:

- (a) Generate clear and understandable team goals;
- (b) Identify examples of quality work and successful standards;
- (c) Use team discussion and reflection to compare team performance to goals; and
- (d) Identify strategies needed to close performance gaps.

7. IMPLEMENTATION OF PERFORMANCE MANAGEMENT SYSTEM

The implementation of the performance management system rests on the following cornerstones:

- Alignment with competency framework
- Getting managers and staff members on board
- Change management
- Automation of the system
- Training managers and staff members
- Continuous evaluation and improvement

7.1. Alignment with competency framework

The competencies used as the basis for performance management are the same as those used for recruitment, staffing and skills development as contained in Annexure A of the Municipal Staff Regulations.

7.2. Getting managers and staff members on board



7.2.1 The performance management facilitators shall disseminate information about the system to all managers and staff members. In addition, they shall serve as champions to get everyone on board by communicating the value of the system to others, its benefits, and how obstacles and concerns are being addressed.

7.2.2 All manager and all other staff members shall be involved in the various activities to communicate about the system further, ensuring that it meets Municipality's needs and encourage others to take their fair share of responsibility in implementing the process properly.

7.3. Change management

The Municipality shall inform all managers and staff members about any revisions or major changes to the performance management system and deploy a change management strategy to facilitate the implementation of the revisions or changes.

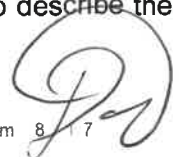
7.4. Automation of the system

7.4.1 The Municipality shall explore and deploy appropriate automation to facilitate the performance management workflow and substantially reduce the paperwork associated with the process.

7.4.2 This shall be done to decrease workload, ensure widespread access to performance management tools and provide a standardised, structured approach to collecting and storing performance data.

7.4.3 In addition, the basic, automated performance management applications that are envisaged shall contain the following:

- (a) The functionality to conduct and capture performance ratings, including user interfaces for displaying relevant competency, performance standard and rating process information.
- (b) Supporting web pages that contain help and information files.
- (c) Capturing staff member or team input and documentation of accomplishments online.
- (d) Managing workflow to include prompting managers and staff members or teams about critical performance management events, routing documents between managers and staff members or teams, and providing access to forms and documents as the appraisal process is completed.
- (e) Providing real-time training and feedback to help managers mitigate rating inflation and other rating errors.
- (f) Providing managers with sample behavioural statements to use when developing narratives, where the manager is able to select statements that match the staff member's behaviour and then customise them to describe the staff member's behaviour more accurately.



- (g) Providing automated development suggestions for identified development needs, such as on-the-job experiences, training, books, websites, etc. This may be extended to the software prompting staff members to request formal training, register in programmes, and track their developmental activities and progress.
- (h) Facilitating decision-making around performance incentives, where once managers agreed on staff members' ratings, they are automatically plotted on a graph that showed where each staff member stood with their performance-based incentive.
- (i) Providing functionality to import performance evaluations and use them along with other information to facilitate succession planning, placement, and other HR functions

7.5. Training managers and staff members

7.5.1 The Municipality shall use the following training formats for performance management:

- (a) Classroom training, where the training content requires hands-on practice or interactive discussions that are not easily achieved with other training formats. This shall cover training managers and staff members on how to provide and receive feedback effectively, because it allows managers and staff members to understand, practice and grow comfortable with their roles in the feedback and development process.
- (b) Performance management job aides shall be used to support training and can be reviewed at a manager's or staff member's own pace.
- (c) Web-based training, like performance management job aides, to allow participants to complete programmes at their own pace, and to provide practice exercises.

7.5.2 The following performance management training topics shall be covered:

- (a) Philosophy and uses of the system.
- (b) Description of the rating process.
- (c) Roles and responsibilities of managers, staff members and teams.
- (d) How to plan performance, set expectations and set goals.
- (e) How to provide accurate evaluations, minimising rating errors and rating inflation.
- (f) The importance of ongoing, constructive, specific behavioural feedback.
- (g) How to seek feedback effectively from others.
- (h) How to react to and act on feedback in a constructive manner.
- (i) How to give feedback in a manner that minimises defensiveness and maintains self-esteem.
- (j) How to identify and address development needs.
- (k) How to use the automated system and related software.

7.6. Continuous evaluation and improvement



The Municipality shall continually evaluate and improve the performance management systems, such as on:

- 7.6.1 Tracking completion of training to verify that all users of the performance management system have been trained prior to implementation.
- 7.6.2 Tracking completion of performance management activities by auditing the trail of copies of completed performance management forms submitted to the HRM Unit.
- 7.6.3 Management reviews to ensure that narrative descriptions match ratings, that ratings are not positively or negatively biased, that especially high or low ratings have been properly justified, that evaluation criteria are being applied systematically across supervisors and staff members, and that proper distinctions are made between staff members or teams.
- 7.6.4 Tracking alignment with other HR decisions, such as monitoring the internal consistency of the evaluations and performance incentives / rewards.
- 7.6.5 Gathering feedback from users by collecting information through survey or focus groups periodically to assess user reactions to the performance management process, and to modify the system in ways that will be more acceptable to users.

8. LEGAL CONSIDERATIONS

- 8.1. In applying the performance management system, the Municipality shall follow this guideline to address legal requirements:
 - 8.1.1 Staff members to be evaluated on factors that are relevant to their jobs.
 - 8.1.2 Staff members to be informed about what is expected of them and the standards against which they will be evaluated at the beginning of the performance / rating cycle.
 - 8.1.3 A standard, well-documented policy and procedure for how the performance management process will be conducted, with defined roles and responsibilities for staff members and managers.
 - 8.1.4 Managers and staff members to be trained on the performance management process and relevant skills required to implement the process effectively (e.g., training for managers on how to provide feedback to staff members).
 - 8.1.5 Managers to keep records to document examples of effective and, especially, ineffective staff member performance to substantiate their evaluations.
 - 8.1.6 Managers to be held accountable for discussing performance issues with staff members or teams and providing them with feedback in a timely manner during the performance / rating cycle.



8.1.7 Performance evaluations to be reviewed by a moderating committee.

8.1.8 Appeal procedure to be provided whereby staff members can formally comment on and appeal their performance evaluations.

8.1.9 Performance evaluation decisions to be consistent with decision-making, such as ensuring that individuals who receive higher performance incentives have higher performance ratings than those who receive lower performance incentives.

8.1.10 Performance management system and software to be as user-friendly, straightforward and easy to use as possible.

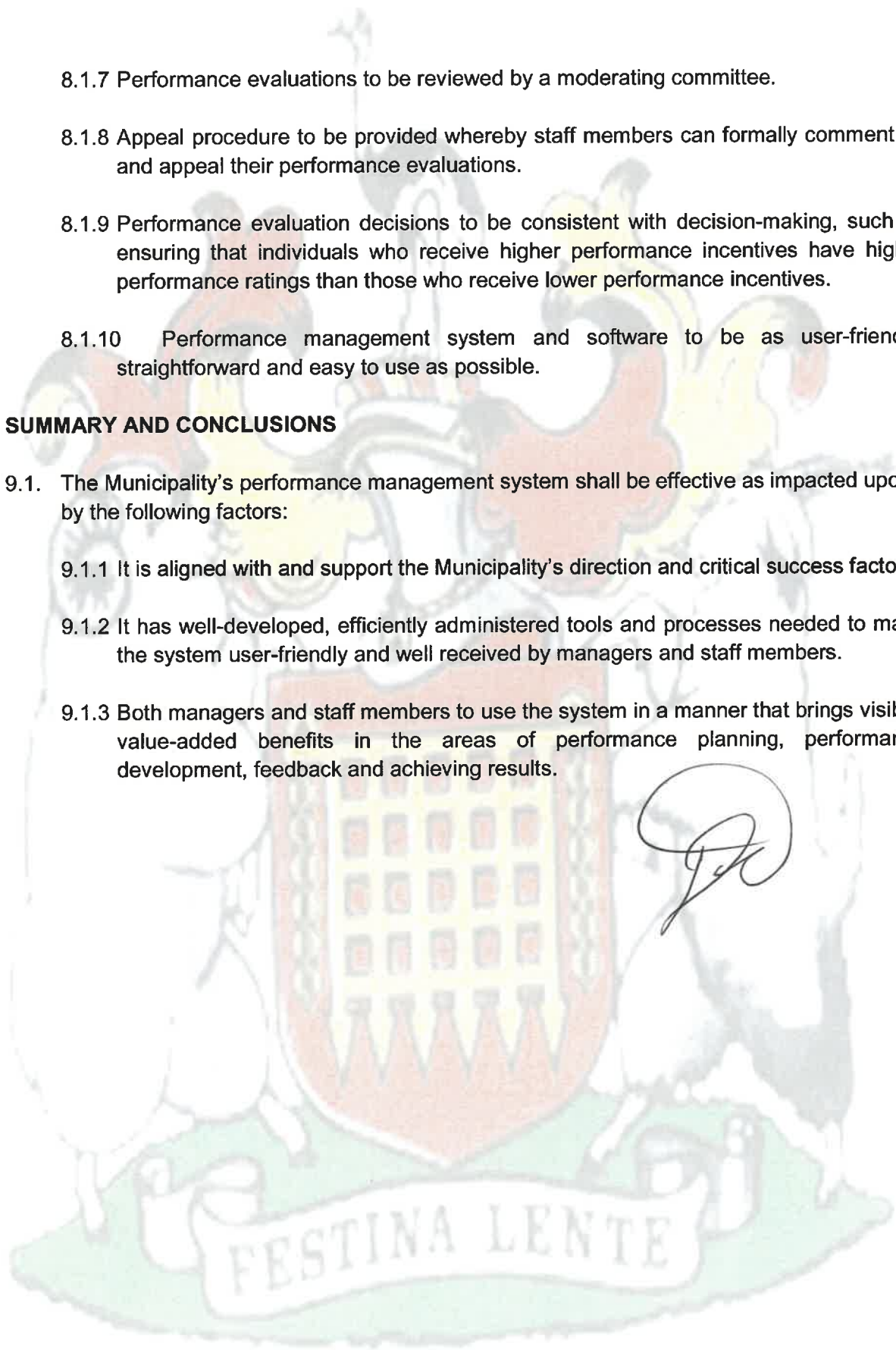
9. SUMMARY AND CONCLUSIONS

9.1. The Municipality's performance management system shall be effective as impacted upon by the following factors:

9.1.1 It is aligned with and support the Municipality's direction and critical success factors.

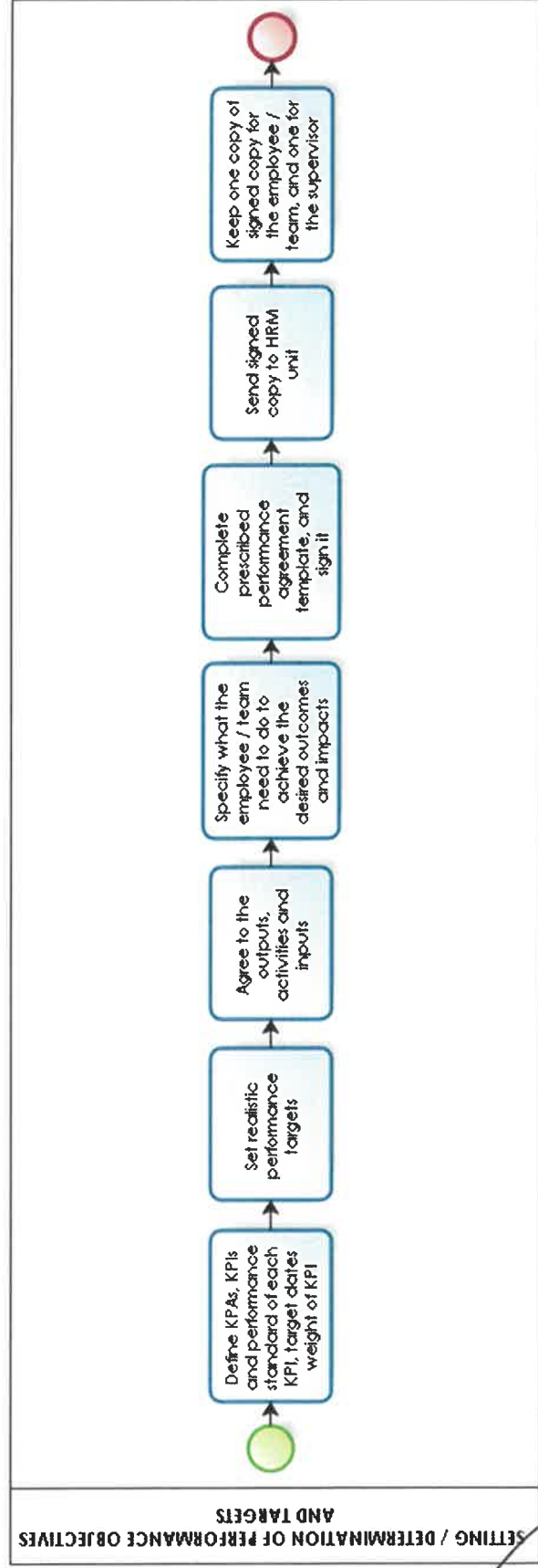
9.1.2 It has well-developed, efficiently administered tools and processes needed to make the system user-friendly and well received by managers and staff members.

9.1.3 Both managers and staff members to use the system in a manner that brings visible, value-added benefits in the areas of performance planning, performance development, feedback and achieving results.



ANNEXURE B: SETTING / DETERMINATION OF PERFORMANCE OBJECTIVES AND TARGETS

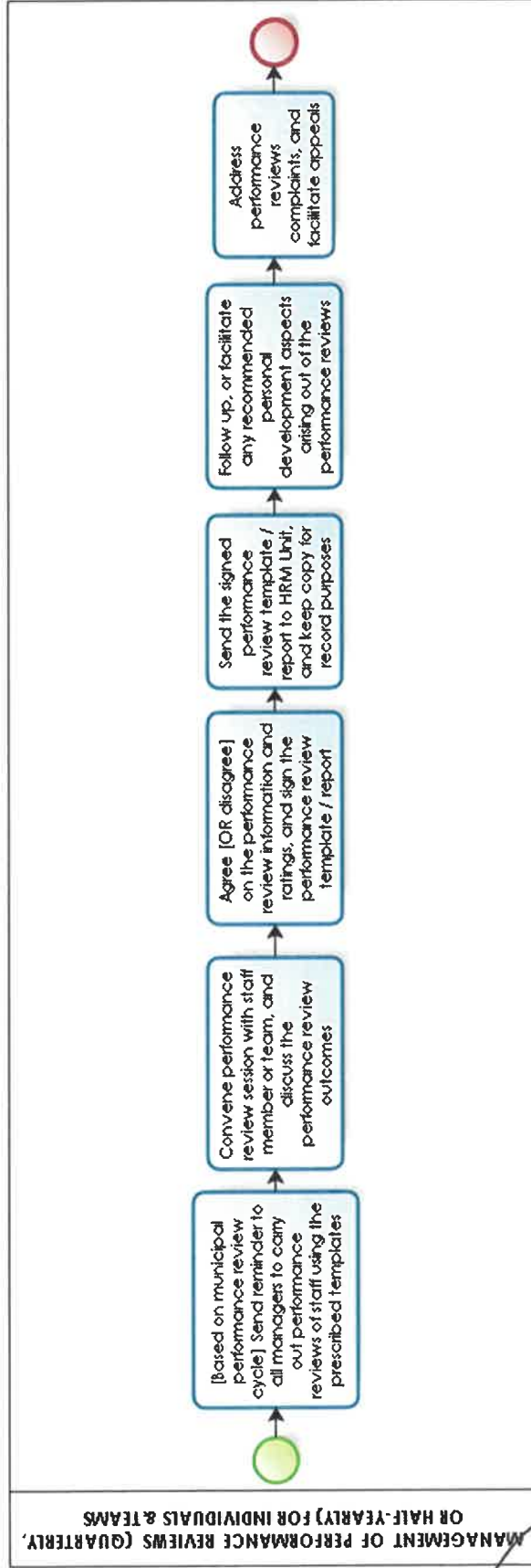
SETTING / DETERMINATION OF PERFORMANCE OBJECTIVES AND TARGETS			
NO.	PROCEDURE STEPS	ACTORS	AVERAGE TIME TAKEN PER TRANSACTION
1.	Define KPAs, KPIs and performance standard of each KPI, target dates weight of KPI		AVERAGE TRANSACTIONS PER MONTH (OR YEAR)
2.	Set realistic performance targets		
3.	Agree to the outputs, activities and inputs		
4.	Specify what the staff member / team need to do to achieve the desired outcomes and impacts		
5.	Complete prescribed performance agreement template, and sign it		
6.	Send signed copy to HRM unit		
7.	Keep one copy of signed copy for the staff member / team, and one for the supervisor		



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ANNEXURE C: MANAGEMENT OF PERFORMANCE REVIEWS (QUARTERLY, OR HALF-YEARLY) FOR INDIVIDUALS & TEAMS

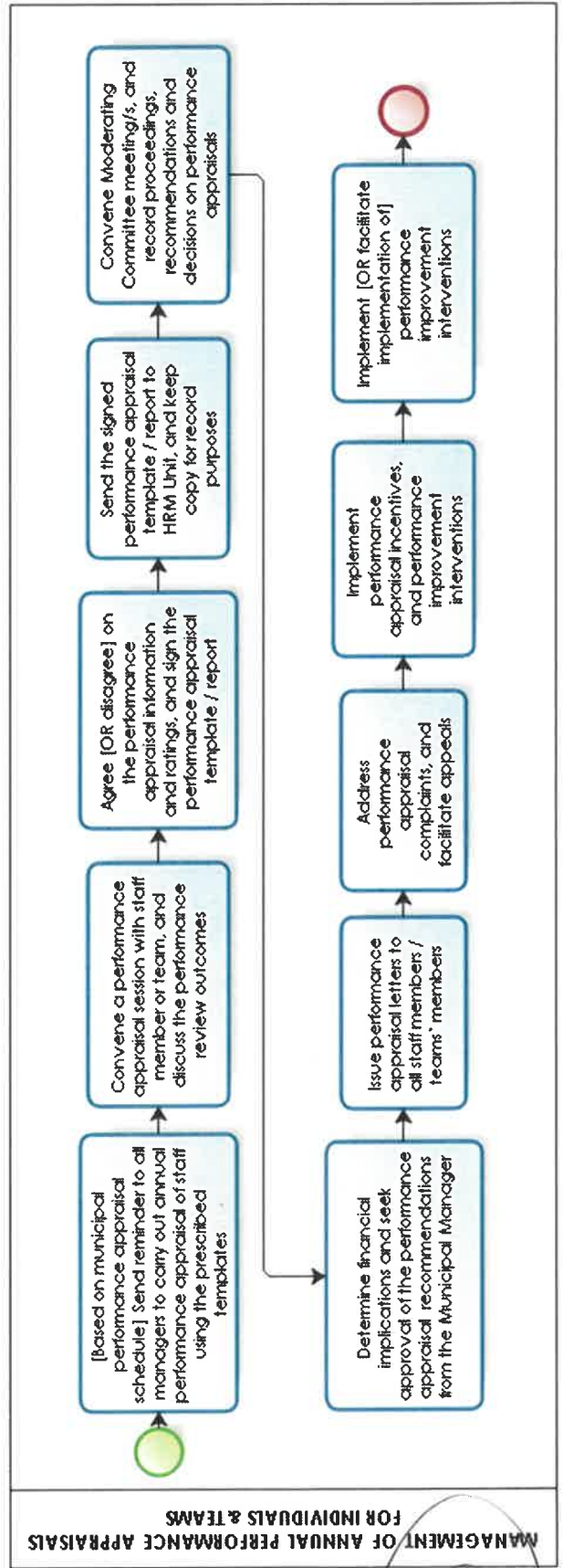
MANAGEMENT OF PERFORMANCE REVIEWS (QUARTERLY, OR HALF-YEARLY) FOR INDIVIDUALS & TEAMS				
NO.	PROCEDURE STEPS	ACTORS	AVERAGE TIME TAKEN PER TRANSACTION	AVERAGE TRANSACTIONS PER MONTH (OR YEAR)
1.	[Based on municipal performance review cycle] Send reminder to all managers to carry out performance reviews of staff using the prescribed templates			
2.	Convene performance review session with staff member or team, and discuss the performance review outcomes			
3.	Agree [OR disagree] on the performance review information and ratings, and sign the performance review template / report			
4.	Send the signed performance review template / report to HRM Unit, and keep copy for record purposes			
5.	Follow up, or facilitate any recommended personal development aspects arising out of the performance reviews			
6.	Address performance reviews complaints, and facilitate appeals			



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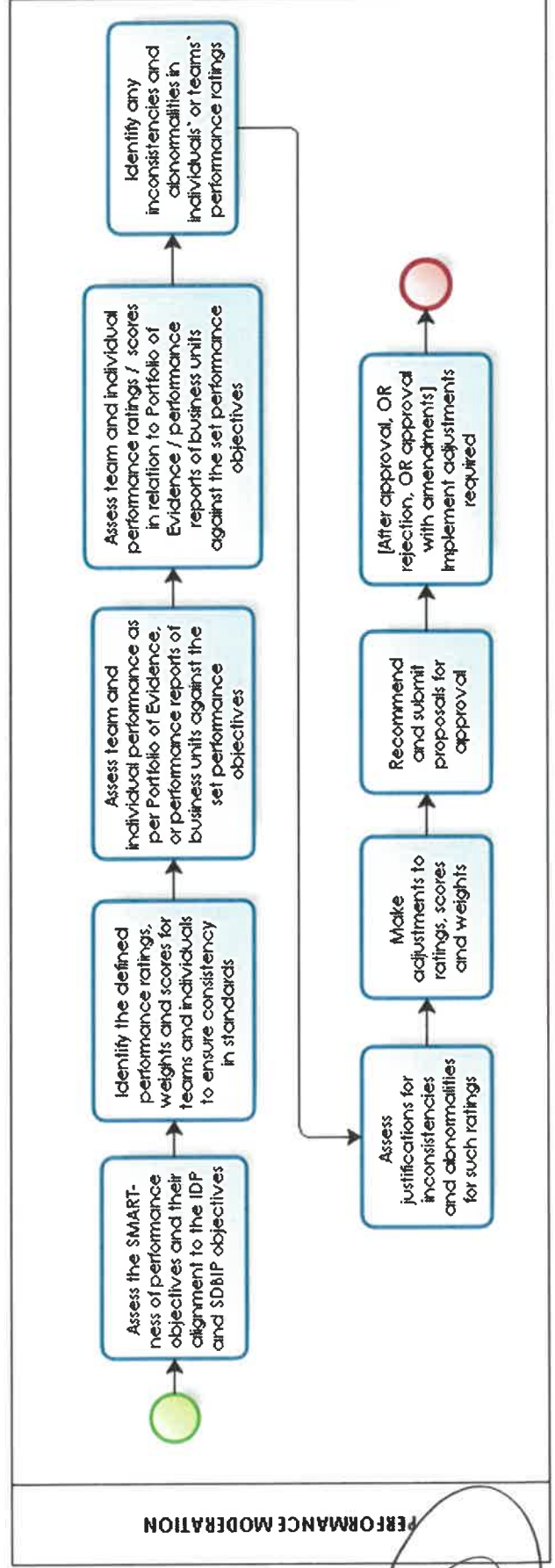
ANNEXURE D: MANAGEMENT OF ANNUAL PERFORMANCE APPRAISALS FOR INDIVIDUALS & TEAMS

MANAGEMENT OF ANNUAL PERFORMANCE APPRAISALS FOR INDIVIDUALS & TEAMS				
NO.	PROCEDURE STEPS	ACTORS	AVERAGE TIME TAKEN PER TRANSACTION	AVERAGE TRANSACTIONS PER MONTH (OR YEAR)
1.	[Based on municipal performance appraisal schedule] Send reminder to all managers to carry out annual performance appraisal of staff using the prescribed templates			
2.	Convene a performance appraisal session with staff member or team, and discuss the performance review outcomes			
3.	Agree [OR disagree] on the performance appraisal information and ratings, and sign the performance appraisal template / report			
4.	Send the signed performance appraisal template / report to HRM Unit, and keep copy for record purposes			
5.	Convene Moderating Committee meeting/s, and record proceedings, recommendations and decisions on performance appraisals			
6.	Determine financial implications and seek approval of the performance appraisal recommendations from the Municipal Manager			
7.	Issue performance appraisal letters to all staff members / teams' members			
8.	Address performance appraisal complaints, and facilitate appeals			
9.	Implement performance appraisal incentives, and performance improvement interventions			
10.	Implement [OR facilitate implementation of] performance improvement interventions			



ANNEXURE E: PERFORMANCE MODERATION

PERFORMANCE MODERATION				
NO.	PROCEDURE STEPS	ACTORS	AVERAGE TIME TAKEN PER TRANSACTION	AVERAGE TRANSACTIONS PER MONTH (OR YEAR)
1.	Assess the SMART-ness of performance objectives and their alignment to the IDP and SDBIP objectives			
2.	Identify the defined performance ratings, weights and scores for teams and individuals to ensure consistency in standards			
3.	Assess team and individual performance as per Portfolio of Evidence, or performance reports of business units against the set performance objectives			
4.	Assess team and individual performance ratings / scores in relation to Portfolio of Evidence / performance reports of business units against the set performance objectives			
5.	Identify any inconsistencies and abnormalities in individuals' or teams' performance ratings			
6.	Assess justifications for inconsistencies and abnormalities for such ratings			
7.	Make adjustments to ratings, scores and weights			
8.	Recommend and submit proposals for approval			
9.	[After approval, OR rejection, OR approval with amendments] Implement adjustments required			



ANNEXURE F: PERFORMANCE ASSESMENT RATING CALCULATOR

Staff member							
Municipality:							
Mid-year / Annual Performance Assessment							
Assessment Rating Calculator							
Name							
Cycle:							
KRA	Weight	Rating	Score	CMC	Weight	Rating	Score
1				1			
2				2			
3				3			
4				4			
5				5			
6				6			
7				7			
	100%		100		100%		100
KPA weight			80%	CCR weight			20%
KPA SCORE			80%	CCR SCORE			20%
FINAL SCORE							100%



ANNEXURE G: PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM PHASES

Performance management and development system phases

1. (1) Performance management and development is the systematic process of—
 - (a) planning work and setting expectations of the municipality from staff members or teams;
 - (b) continually monitoring performance of staff members or teams;
 - (c) developing the capacity of staff members or teams to perform optimally;
 - (d) periodically rating performance of staff members and teams; and
 - (e) rewarding outstanding performance.

- (2) The performance management and development system of a municipality must consist of different phases relating to performance planning, coaching, review and reward as provided in these guidelines.

- (3) The performance management and development system must consist of the following phases:

Phase	Timeframe	Activities
(a) Planning	(i) Occurs annually at the start of the financial year or the starting date in a specific post	(aa) Supervisor schedules a meeting with a staff member or team to discuss and agree on the performance objectives for the year; (bb) Supervisor and a staff member or team are required to prepare for this meeting; and (cc) Performance agreement must be signed or processed electronically where applicable by the supervisor and a staff member or team within sixty (60) days after the commencement of the performance cycle.
(b) Monitoring, coaching and feedback	(i) Occurs formally; and (ii) Informally throughout the year	(aa) The supervisor will complete on- the-job monitoring of the performance of a staff member or team; (bb) The supervisor may create formal and informal opportunities to provide feedback or coaching support to a staff member or team in relation to progress made towards agreed performance objectives and on areas requiring implementation; and (cc) A staff member or team may request feedback and support at any time during the performance cycle.
(c) Review and evaluation	(i) Mid-year review must occur at the end of the second quarter. The details of the engagement must be in writing; and (ii) Annual performance evaluation must occur at the end of the fourth quarter (after the end of	(aa) The supervisor must set up a formal mid-year evaluation with a staff member or team within one (1) month after the end of quarter two (2), inclusive of formal documented engagement to provide feedback on targets achieved to date of a staff member or team; (bb) At mid-year review, interventions and corrective actions must be identified in relation to achievement /under-achievement of performance outputs/ outcomes; (cc) During annual performance evaluation, each staff member must be afforded an opportunity

Phase	Timeframe	Activities
	<p>performance cycle); and</p> <p>(iii) Annual performance must occur within 60 days after the end of performance cycle. The details of the performance evaluation must be in writing clearly outlining the staff member's career development needs.</p>	<p>to complete self-rating and provide evidence to support ratings;</p> <p>(dd) The supervisor must set up the formal final performance evaluation with a staff member or team after the end of the fourth quarter;</p> <p>(ee) The final performance evaluation scores must be recorded as a formal engagement between the staff member and supervisor; and</p> <p>(ff) The supervisor must formally provide verbal and written performance feedback to the staff member or team.</p>
(d) Reward and recognition	<p>(i) After the formal annual performance assessment; and</p> <p>(ii) After moderation by the Municipal Moderation Committee and approval by municipal manager.</p>	Rewards shall be dealt with as stipulated in chapter 4 of the Regulations.

Planning

2. (1) During the planning phase-

- (a) the supervisor and staff member must jointly identify organisational, departmental as well as the performance expectations of a staff member or team and secure the staff member or team's commitment to achieve the performance expectations;
- (b) the supervisor must explain to the staff member how the performance agreement and PMDS operates;
- (c) all staff members, including management, must be capacitated through training on—
 - (i) what the process entails;
 - (ii) why the municipality uses the PMDS process;
 - (iii) how the PMDS works, including the phases, purpose of linkage with the competency framework and how performance of competencies are measured;
 - (iv) the expectation from a staff member in a specific role; and
 - (v) when performance will be evaluated and reviewed;
- (d) the municipality must ensure that every supervisor has undergone training to acquire the relevant coaching skills needed for ongoing implementation of the PMDS;
- (e) the supervisor and staff member must develop a performance agreement wherein the performance standards will be defined in terms of quality, quantity, time and process. The following documents can assist—
 - (i) the staff member's job description;
 - (ii) the IDP and departmental SDBIP;
 - (iii) the supervisor's performance agreement, where applicable;
 - (iv) the staff member's previous year performance assessment, where applicable; and
 - (v) any other document considered relevant to the process;
- (f) planned KPAs, KPIs and targets as contained in the performance agreement must meet the SMART criteria as outlined in the table below—

S	Specific, clear and understandable.
M	Measurable in terms of quantity, and, if possible, quality, money, and time. It must be possible to determine whether the activity took place and to decide how well it was done.
A	Attainable in that the activities to be performed have been agreed upon and must be within the capabilities and under control of the staff member.
R	Relevant in that each task should be related directly to the functional areas or specific projects assigned to the staff member.
T	Time-based in that the supervisor and staff member should be able to track progress against specified target dates and timeframes and assessment can take place within the annual reporting cycle of the performance agreement.

(g) Job specific competencies can be selected from the relevant occupational streams as prescribed in the Local Government: Competency Framework attached to the Regulations as Annexure A, including any other specific functional competency requirements as may be identified;

(2) The following documents will assist in the performance planning process—

- (a) performance agreement (Annexure A); and
- (b) monitoring, coaching, feedback and review (Annexure B).

Monitoring, coaching and feedback

3. (1) Effective performance monitoring, coaching and feedback must be monitored continuously throughout the performance cycle.

4.

(2) Performance monitoring, coaching and feedback involve ongoing collaborative engagements between the supervisor and staff member or team aimed at improving a staff member's skills and competencies to meet or exceed the set standards of performance through—

- (a) Observation, motivating and encouraging the staff member;
- (b) Frequent and infrequent exchanges of feedback about the staff member's performance;
- (c) Regular evaluation of whether the staff member performs according to the set objectives as outlined in the performance agreement;
- (d) Formal coaching and informal performance evaluation sessions;
- (e) Reinforcing the discussions that took place during the planning phase culminating in the performance agreement;
- (f) Affording the supervisor the opportunity to encourage the development of the staff member or team;
- (g) Proactive identification of challenges and solutions to enable achievement;
- (h) Identification of accomplishments or challenges by the staff member or team that have been resolved, which otherwise may not have come to the supervisor's attention;
- (i) Coaching that reinforces effective performance or brings the performance of the staff member closer to the expected standards; and



- (j) A staff member or team who participated in several coaching sessions being aware of what is required of him or her to meet performance outcomes.
- (3) A municipality must ensure that every supervisor has received adequate training in performance coaching processes and is capable of effectively assessing progress and evaluating the performance of staff or team.
- (4) Development needs of staff identified during performance monitoring and coaching processes must be evaluated and addressed to encourage good performance, improves job-related skills and competencies that support staff to keep up with changes in the workplace.

Mid-year performance review

- 4. (1) The mid-year performance review—
 - (a) is a formal bi-annual performance appraisal where a staff member or a team is given feedback on his or her performance;
 - (b) must be recorded;
 - (c) offers an opportunity—
 - (i) between the supervisor and staff member to assess the staff member or team's performance against set performance objectives;
 - (ii) for the supervisor to monitor, coach and provide feedback to ensure effective performance;
 - (iii) for the supervisor and staff member to—
 - (aa) jointly identify performance challenges and agree on solutions to overcome identified challenges;
 - (bb) agree on developmental needs of the staff member and address such needs;
 - (cc) review the performance targets resulting from workplace changes beyond the staff member or team's control; and
 - (iv) to reinforce good performance.
- (2) If the review of the performance agreement is warranted—
 - (a) the Regulations and item 2 of these Guidelines apply;
 - (b) the mid-year performance review will be based on the existing performance agreement;
 - (c) the amended performance agreement or addendum must be co-signed by the supervisor and staff member; and
 - (d) a record of the amendments must be kept for purposes of annual performance assessment.

Annual performance evaluation

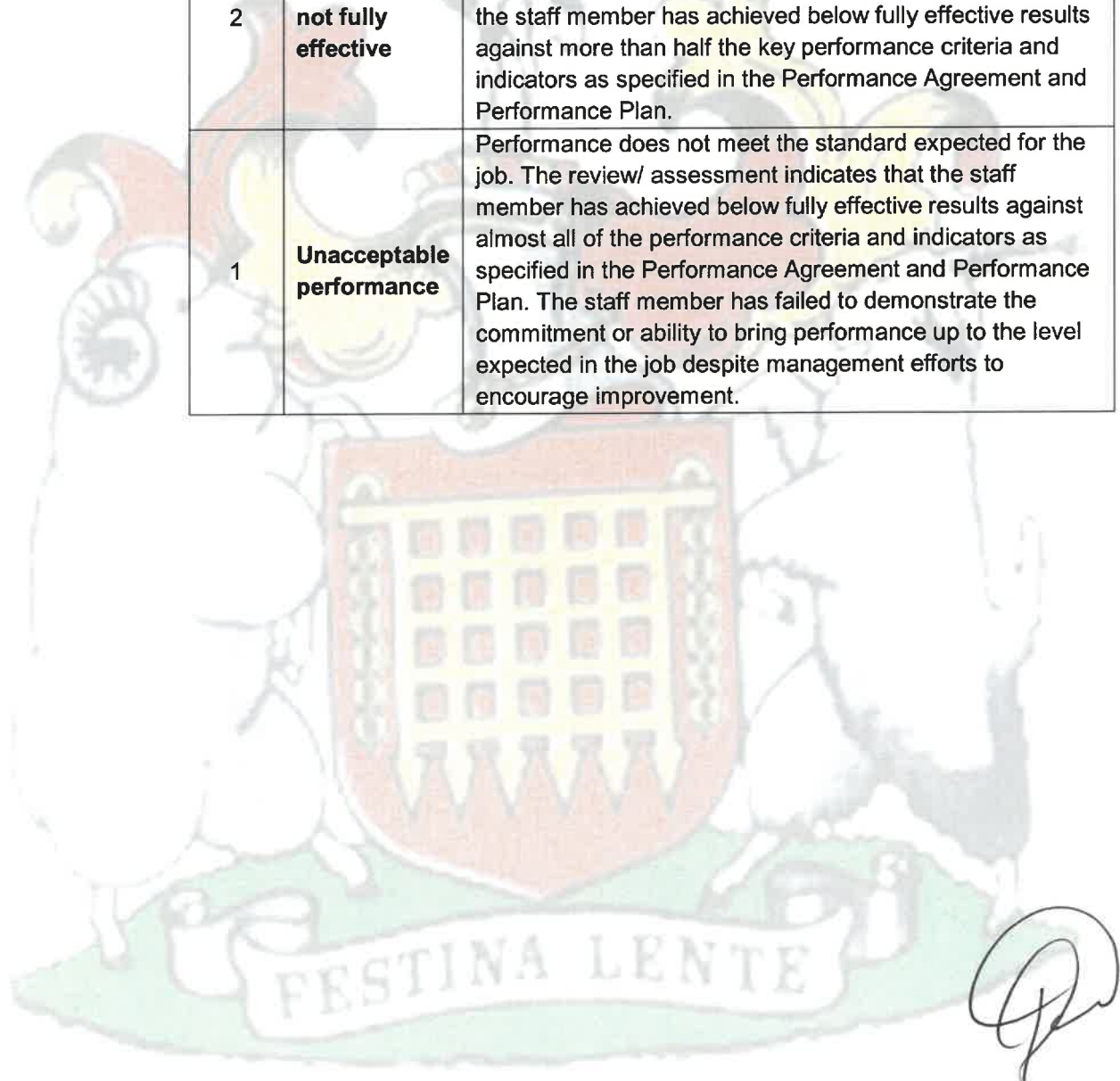
- 5. (1) The objectives of the performance evaluation are to —
 - (a) formally discuss the performance outcome achieved by the staff member against agreed performance indicators and targets based on the work performed during performance cycle of 12 months;



- (b) rate the performance of a staff member or team against each measurable KPI using the five-point rating scale;
 - (c) recognise positive achievements and provide feedback on unsatisfactory performance; and
 - (d) identify areas of improvement and develop action plans to be included in personal development plans to address identified areas for improvement.
- (2) Every staff member or team must be subjected to annual performance assessment at the end of the performance cycle of a municipality.
- (3) The annual performance evaluation must be preceded by the staff member's self-rating against predetermined objectives, and where necessary supported by portfolio of evidence.
- (4) Rating entail evaluating the staff member or team's performance against performance standards in a staff member's performance plan and assigning a numeric rating for each KPI.
- (5) The supervisor and staff member must—
- (a) formally and objectively confirm the staff member's performance outcomes against agreed KPAs, KPIs and job specific competencies;
 - (b) rate the performance of each staff member or team against each measurable KPI and job specific competencies using the 5-point rating scale;
 - (c) recognise positive achievements;
 - (d) identify deficient performance;
 - (e) identify the staff member's developmental needs, which will inform the Personal Development Plan of the staff member; and
 - (f) sign the final annual performance assessment.
- (6) At the end of the performance cycle a rating scale is used which has a bearing on rewarding and recognising performance above fully effective.
- (7) The supervisor must submit the final annual performance assessment, performance scores and any related evidence supporting performance to Human Resources.
- (8) Performance ratings for KPAs and competencies are calculated using the 5-point rating scale —
- (a) KPA ratings are calculated where individual ratings have been assigned to each KPI using the five-point rating scale;
 - (b) No rounding of calculations is allowed and 2 decimal points must be used;
 - (c) The table below reiterates the 5-point rating scale applied to score overall performance—

Level	Terminology	Description
5	Outstanding performance	Performance far exceeds the standard expected of a staff member at this level. The appraisal indicates that the staff member has achieved above fully effective results against all performance criteria and indicators as specified in the Performance Agreement and Performance Plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the staff

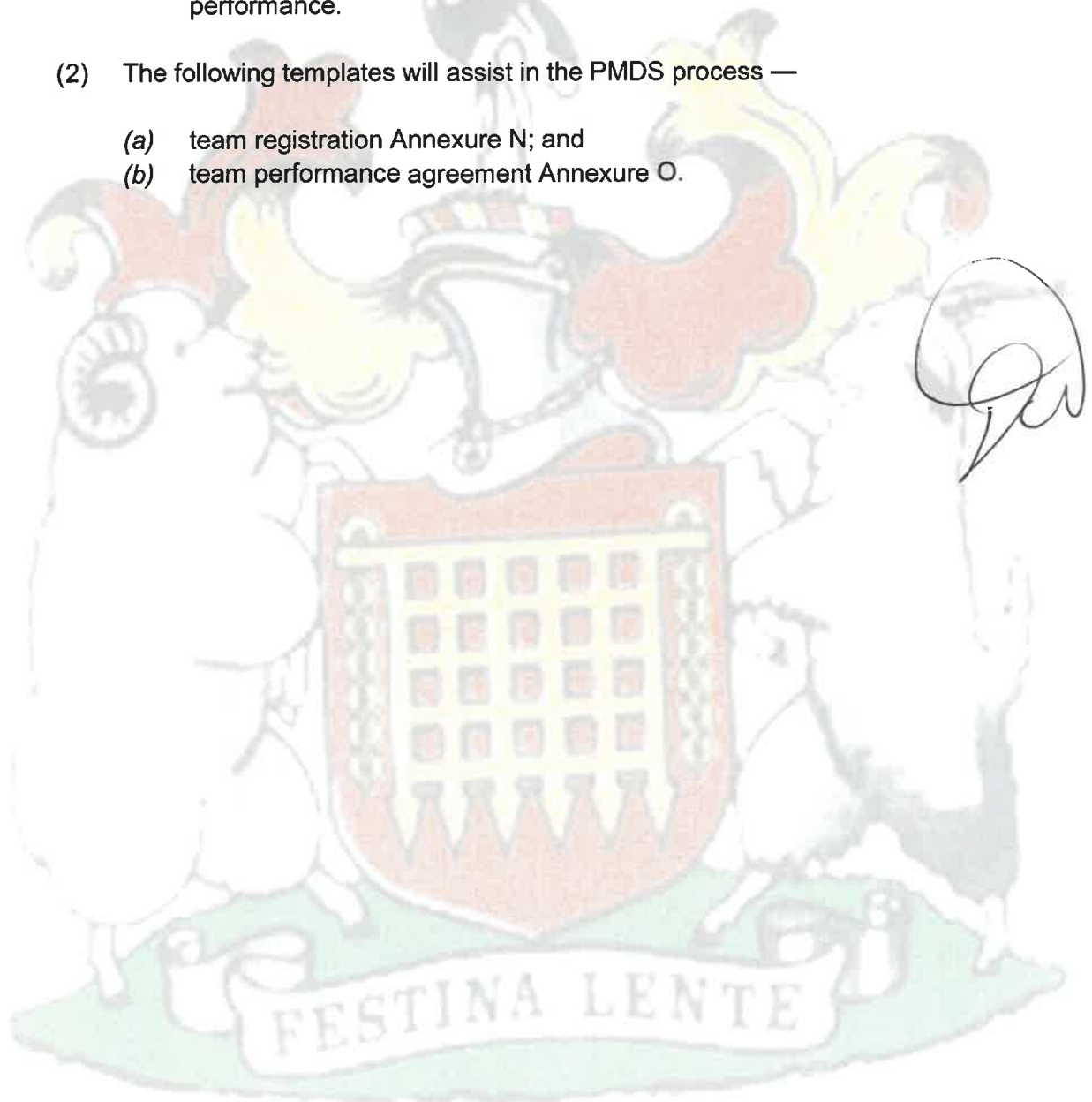
Level	Terminology	Description
	above expectations	member has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective performance	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the staff member has fully achieved effective results against all significant performance criteria and indicators as specified in the Performance Agreement and Performance Plan.
2	Performance 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 staff member has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the Performance Agreement and Performance Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/ assessment indicates that the staff member has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the Performance Agreement and Performance Plan. The staff member 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.



ANNEXURE H: TEAM BASED PERFORMANCE

- (1) A supervisor working in collaboration with individual team members must—
 - (a) rate the performance of a staff member working within a team-based performance arrangement; and
 - (b) identify challenges relating to individual staff member(s) working within a team and identify appropriate interventions aimed at improving the staff member's performance.

- (2) The following templates will assist in the PMDS process —
 - (a) team registration Annexure N; and
 - (b) team performance agreement Annexure O.

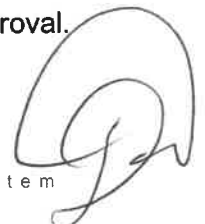


ANNEXURE I: PERFORMANCE EVIDENCE

- (1) The submission of evidence is subject to the following—
 - (a) during the planning phase, agreement must be reached on what evidence is to be used with the aim of minimising time and effort; and
 - (b) evidence must be gathered during the course of the performance cycle as this will inform and substantiate the scores according to the rating scale.
- (2) The staff member or team must gather, collate and present evidence against the measurable KPIs and, where applicable, job specific competencies as contained in the performance agreement—
 - (a) it is particularly important to ensure that evidence is gathered during the performance cycle in preparation for the mid-year performance review and annual performance evaluation, as it will be used to substantiate scores related to achievement of KPIs and job specific competencies; and
 - (b) the ultimate accountability for the submission of the portfolio of evidence rests with the staff member or team being evaluated.
- (3) The nature of work must determine the type of evidence that should be provided. This may, inter alia, include—
 - (a) official records;
 - (b) confirmation by a supervisor;
 - (c) confirmation by other stakeholders such as letter from a government department; and
 - (d) inspection or viewing of evidence by supervisor such as filing system, memorandums, reports, etc.
- (4) A supervisor may, at the latest by mid-year review,—
 - (a) accept other evidence that substantiate achievement of KPIs or competencies and
 - (b) assist the staff member or team to obtain such evidence.

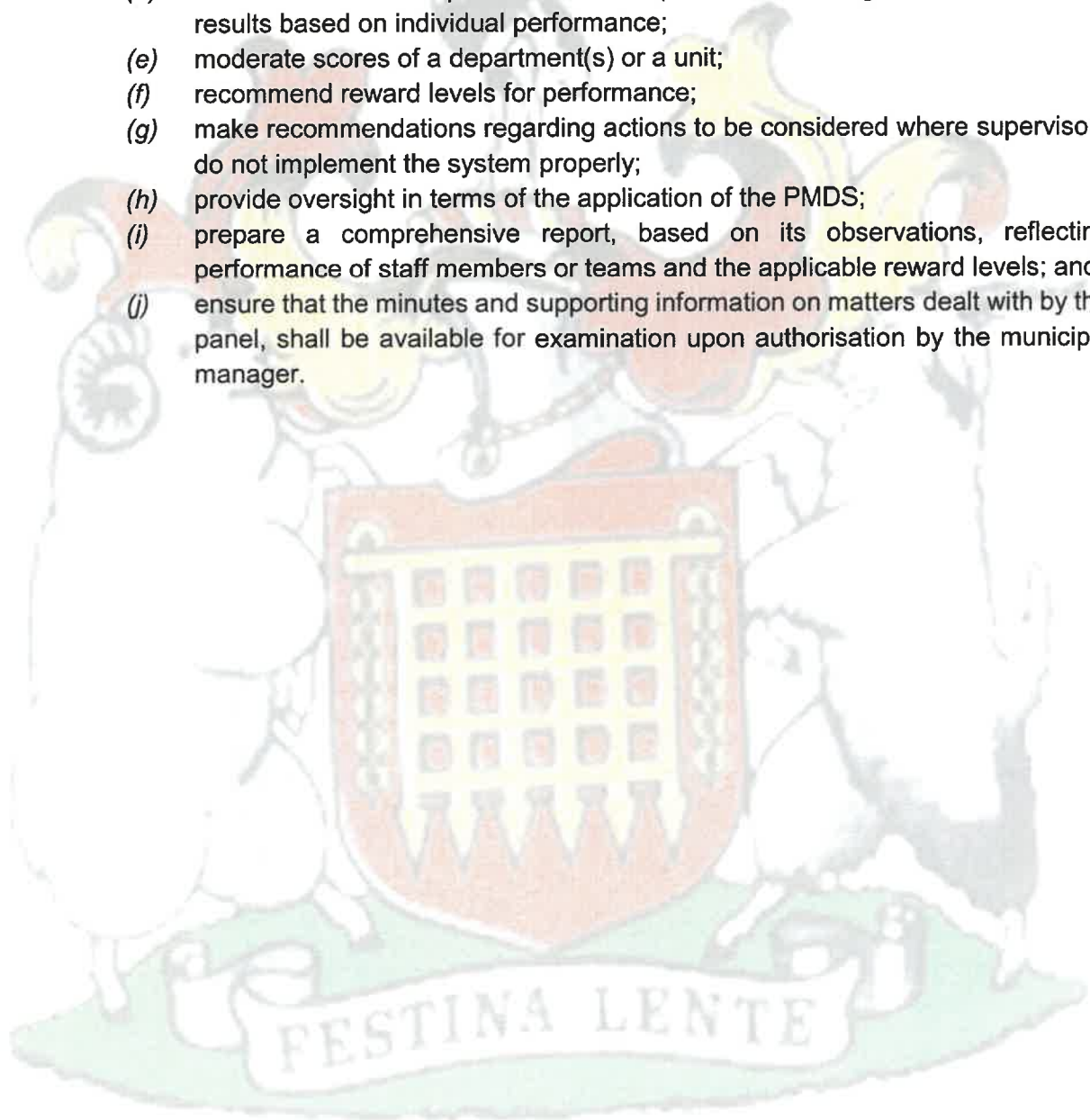
ANNEXURE J: PERFORMANCE MODERATION COMMITTEE

- (1) The Municipal Performance Moderation Committee—
- (a) must be duly constituted by the municipal council;
 - (b) may, to the extent possible, be constituted as follows—
 - (i) municipal manager or his or her delegate who will act as the chairperson;
 - (ii) all heads of departments of a municipality;
 - (iii) manager responsible for PMDS;
 - (iv) manager responsible for organisational development;
 - (v) manager responsible for organisational performance;
 - (vi) a representative from finance, where applicable;
 - (vii) a representative from governance, where applicable; and
 - (viii) a representative from audit, where applicable.
- (2) Departmental representatives—
- (a) will be invited to attend the performance moderation committee to present on the results of their respective departments;
 - (b) must be on senior management level; and
 - (c) may request a specialist on the departmental performance management to provide technical advice where needed.
- (3) Members should collectively possess the necessary expertise and must demonstrate knowledge and competencies—
- (a) local government;
 - (b) municipal human resource environment;
 - (c) corporate governance practices;
 - (d) corporate strategy;
 - (e) performance management and development system;
 - (f) human capital management;
 - (g) organisational development;
 - (h) financial management;
 - (i) business management;
 - (j) operations management; and
 - (k) leadership.
- (4) The main objectives of the committee are to—
- (a) ensure fair and consistent application of the PMDS;
 - (b) ensure that the integrity of the PMDS is protected;
 - (c) ensure that performance is evaluated consistently;
 - (d) ensure that individual ratings reflect the overall performance of the department;
 - (e) advise on financial affordability for the municipality; and
 - (f) recommend performance rewards to the municipal manager for approval.



(5) The committee may—

- (a) develop and approve the terms of reference;
- (b) review the performance management and development system across the municipality and make recommendations regarding implementation;
- (c) monitor the performance evaluation process by obtaining an overall sense of whether norms and standards are being applied realistically and consistently both horizontally and vertically across the municipality;
- (d) determine the overall performance of departments and align that with summary results based on individual performance;
- (e) moderate scores of a department(s) or a unit;
- (f) recommend reward levels for performance;
- (g) make recommendations regarding actions to be considered where supervisors do not implement the system properly;
- (h) provide oversight in terms of the application of the PMDS;
- (i) prepare a comprehensive report, based on its observations, reflecting performance of staff members or teams and the applicable reward levels; and
- (j) ensure that the minutes and supporting information on matters dealt with by the panel, shall be available for examination upon authorisation by the municipal manager.



ANNEXURE K: MANAGING SUBSTANDARD PERFORMANCE

Purpose

1. (1) These procedures are intended to—
 - (a) create an enabling environment to facilitate effective performance by the staff members;
 - (b) provide the staff members with access to skills development and capacity building opportunities in order to promote efficient and effective performance;
 - (c) provide remedial and developmental support to assist the staff members to deal with substandard performance; and
 - (d) ensure that the municipal council and staff members work collaboratively to generate solutions to problems and improve the performance of staff members.

Policy and principles

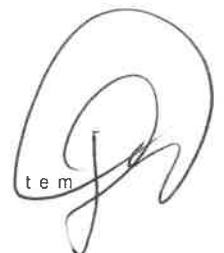
2. (1) These procedures must be read in conjunction with the Regulations.
- (2) The Code of Good Practice provided for in Schedule 8 of the Labour Relations Act, 1995, constitutes part of these procedures, in respect of poor work performance.
- (3) The municipality must evaluate the staff member's performance by considering—
 - (a) the extent to which the substandard performance impacts on the work of the municipality and the achievement of municipal goals;
 - (b) the extent to which the staff member fails to meet the required performance standards set by the municipality;
 - (c) the extent to which the staff member lacks the necessary skills, competencies and expertise to meet the performance objectives and targets for his or her post as contained in the performance agreement; and
 - (d) the nature of the staff member's work and responsibilities.

Procedures for dealing with substandard performance

3. (1) If the municipality has reason to believe that a staff member is not performing in accordance with the minimum performance standards of his or her post, the supervisor must—
 - (a) convene a meeting to give feedback to the staff member on his or her performance;
 - (b) furnish the staff member with reasons why it is necessary to initiate this procedure.
- (2) During the meeting contemplated in paragraph (a), the supervisor must—
 - (a) explain the requirements, level, skills and nature of the post;



- (b) evaluate the staff member's performance in relation to the performance agreement;
 - (c) explain the reasons why the performance is considered substandard; and
 - (d) afford the staff member or his or her representative an opportunity to respond to the performance outcomes referred to in paragraph (c); and
- (3) After considering the staff member's reasons, the supervisor may, if necessary—
 - (a) initiate a formal programme of counselling and training to enable the staff member to meet the required standard of performance, which must include—
 - (i) assessing the time that it will take for the staff member to deal with substandard performance;
 - (ii) establishing realistic timeframes within which the staff member is expected to meet the required performance standards; and
 - (iii) identifying and providing appropriate training for the staff member to reach the required standard of performance.
 - (b) establish ways to address any factors that may affect the staff member's performance that lie beyond the staff member's control.
- (4) If the staff member fails to meet the required performance standard for the post after being subjected to a formal programme of counselling and training as contemplated in paragraph (3), the supervisor, may—
 - (a) regularly evaluate the staff member's performance; or
 - (b) provide further remedial or developmental support to assist the staff member to eliminate substandard performance.
- (5) If the staff member's performance does not improve after he or she received appropriate performance counselling and the necessary support and reasonable time to improve his or her performance as contemplated in paragraph (4), or he or she refuses to follow a formal programme of counselling and training contemplated therein—
 - (a) the supervisor, must bring the allegations of substandard performance against the staff member to the attention of the municipal manager in the form of a report.
 - (b) the supervisor, must table the report contemplated in subparagraph (a) before the municipal manager.
- (6) If the municipal manager is satisfied that sufficient evidence exist to institute disciplinary proceedings against the staff member on the basis of the alleged substandard performance the municipal manager, must furnish the staff member with written reasons why it is necessary to initiate this procedure in accordance with applicable procedures.



ANNEXURE L: PERFORMANCE AGREEMENT FOR INDIVIDUALS

Performance Agreement			
Performance cycle		Example: 01 July 2017 to 30 June 2018	
Department:		[add name of department]:	
Section / Unit:		[add name of section / unit]:	
Staff member name and surname:		[add first names and surname for staff member]	
Staff member designation, payroll number and level	Designation Assistant Director	Payroll number 000000000000	Level 5
Functions	Short description of the staff member's function.		
Staff member signature			Date:
Supervisor Name and Surname:	[add first names and surname for supervisor]		
Supervisor's Signature:			Date:



KPA /JSCs Weighting	KPIs/JSCs	Baseline (where applicable)	Targets ¹	Evidence
1. [Insert KPA here]				
30%	1.1 [Insert KPI here]	[Existing or new where applicable]	1 ² = [insert SMART Targets here] 2 ³ = 3 ⁴ = 4 ⁵ = 5 ⁶ =	
	1.2			
	1.3			
2. [Insert KPA here]				
30%	2.1			
	2.2			
	2.3			
	2.4			
3. [Insert KPA here]				
20%	3.1			
	3.2			
80%	Total			
Job Specific Competencies (JSC)				
1	10%	[Insert here]	1 = 2 = 3 = 4 = 5 =	Add where applicable for competencies
2	5%	[Insert here]		
3	5%	[Insert here]		
20%	Total			
Supervisor Signature:			Staff member Signature:	
Date:			Date:	

¹ The targets of every KPI must be expressed as one (1) to five (5).

² Target 1 indicate **unacceptable performance**.

³ Target 2 indicate **performance not fully effective**.

⁴ Target 3 indicate **fully effective performance** i.e. that performance meets the standard expected in all areas of a job and that the KPI has therefore been achieved.

⁵ Target 4 indicate **performance significantly above expectations**.

⁶ Target 5 indicate **outstanding performance**.

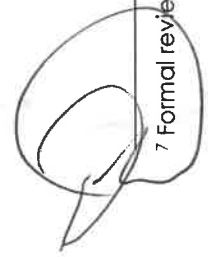




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ANNEXURE M: COACHING AND REVIEW

		Coaching and Review							Signatures		
		Staff member / Team input on progress ⁷		Supervisor's input on progress		Comments	Year-end Review Scores	Staff member's Signature			Managers Signature
		Mid-year review	Final review	Interventions	Staff member / Team rating						
KPA 1	KPI										
	1.1										
	1.2										
	1.3										
KPA 2	2.1										
	2.2										
	2.3										
	2.4										
KPA 3	3.1										
	3.2										
JSC	1										
JSC	2										
JSC	3										
Staff member / Team Supervisor Signature:							Date:				
Supervisor Signature:							Date:				



⁷ Formal review must take place mid-year and year-end

ANNEXURE N: TEAM REGISTRATION

Team Registration					
Performance Cycle	Example: 2017/2018				
Department:	[Add Name of Department]:				
Section / Unit:	[Add Name of Section / Unit]:				
Supervisor Name and Surname:	[Add first Names and Surname for Supervisor]				
Function :⁸					
Team Members ⁹					
Names	Payroll Number	Designation:	Level	Staff Signature ¹⁰	Date
Example: J Smith	000000	Truck Driver	T1	XXXX	30/07/2017
Supervisor's Signature:¹¹					Date:

⁸ Add short description of the team function.

⁹ Team members may include a team supervisor.

¹⁰ All team members will sign on the team scorecard and the supervisor will sign this form on behalf of the employer.

¹¹ If the team includes a team supervisor the supervisor above the team supervisor will sign on behalf of the employer.



ANNEXURE O: PERFORMANCE AGREEMENT FOR TEAMS

Performance Agreement for Teams				
KPA /JSCs Weighting	KPIs/JSCs	Baseline	Targets ¹²	Evidence
[Insert KPA here]				
30%	3.3 [Insert KPI here]	[Existing or new where applicable]	1 ¹³ = [insert SMART Targets here] 2 ¹⁴ = 3 ¹⁵ = 4 ¹⁶ = 5 ¹⁷ =	
	3.4			
	3.5			
4. [Insert KPA here]				
30%	4.1			
	4.2			
	4.3			
	4.4			
5. [Insert KPA here]				
20%	5.1			
	5.2			
80%	Total			
Job Specific Competencies (JSCs)				
1	10%	[Insert JSC here]	1 = 2 = 3 = 4 = 5 =	Add where applicable for competencies
2	5%	[Insert JSCs here]		
3	5%	[Insert JSCs here]		
20%		Total		
Team Members Names:		Example: J Smit P Mokola	Payroll Number: 0000000 9999999	
Supervisor Signature:		Team Supervisor:		
Date:		Date:		

¹² The targets of every KPI must be expressed as one (1) to five (5).

¹³ Target 1 indicate **unacceptable performance**.

¹⁴ Target 2 indicate **performance not fully effective**.

¹⁵ Target 3 indicate **fully effective performance** i.e. that performance meets the standard expected in all areas of a job and that the KPI has therefore been achieved.

¹⁶ Target 4 indicate **performance significantly above expectations**.

¹⁷ Target 5 indicate **outstanding performance**.





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