

# UMZIMVUBU LOCAL MUNICIPALITY



**UMZIMVUBU**  
— LOCAL MUNICIPALITY —

## PERFORMANCE MANAGEMENT POLICY

MARCH 2014

# MUNICIPAL PERFORMANCE MANAGEMENT POLICY

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## 1. DEFINITIONS

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

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

**manager in terms of the Section 54 A of the Act and includes a manager directly accountable to a municipal manager appointed in terms of Section 56 of the Act.**

## **2. PREAMBLE**

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

## **3. OBJECTIVES**

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

## **4. APPLICATION OF THIS POLICY**

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

## **5. PERFORMANCE MANAGEMENT ETHICS AND PRINCIPLES**

- 5.1 A Performance Management System is set to maximize output arising from utilization of employees in the work place.
- 5.2 Performance management is established and operated in order to unlock potential for both organizational growth and employee development.
- 5.3 Performance management is intended to generate organizational focus and employee motivation in rendering services.
- 5.4 Performance assessment is conducted with the maximum honesty and confidentiality.
- 5.5 Optimal performance of both organization and the individual is one of the most important principles of performance management.
- 5.6 Tracking and managing performance is the most important principle
- 5.7 Identification of performance gaps and provision of intervention measures are cornerstones of performance improvement.
- 5.8 Employees must receive fair evaluations and their performance should be managed in an appropriate and satisfactory manner.
- 5.9 There must be no favouritism and bias in assessing employee performance.
- 5.10 Excellent performance is rewarded accordingly whilst intervention measures to address bad performance are effected without delay.
- 5.11 The Core Values of the Municipality shall prevail in all aspects of performance management, including but not limited to performance planning, monitoring and assessment.**

## **6. ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM**

- 6.1 The Municipality shall develop a performance management system based on the prescripts contained in the legal framework for the performance management system.
- 6.2 The Municipality shall set targets and monitor and review the performance of the Municipality based on indicators linked to the Integrated Development Plan (IDP).
- 6.3 The Community shall be involved in setting indicators and targets and reviewing municipal performance..
- 6.4 The Municipality shall table and publish an annual performance report on performance of the Municipality forming part of its annual report as required by the Municipal Finance Management Act (53 of 2003) MFMA.
- 6.5 The performance management system shall be based on the performance

standards known as national key performance indicators prescribed by the Department of Provincial and Local Government.

- 6.6 The Municipality shall on a continual basis review its performance standards preferably on an annual basis as part and parcel of overall audit and assessment of performance measures.
- 6.7 Determination of the organizational performance framework and standards in terms of the legal requirements shall be driven and facilitated by the IDP unit of the Municipality.
- 6.8 The performance of the Municipality shall be subjected to audit by the Municipality's Audit Committee and the Auditor-General.
- 6.9 The organizational performance management system shall constitute a basis for development and management of individual performance standards from the Municipal Manager down to the work teams.
- 6.10 Finally, the organizational performance management framework shall constitute the strategic level of performance and set an inclusive scene/ platform for springing up of a service delivery-focused and oriented culture of performance mainly characterized by active participation of stakeholders and constant receipt of feedback from the service users or consumers.
- 6.11 The Municipality shall set aside annual funding for an organizational strategic planning workshop.
- 6.12 The strategic workshop shall be held in each financial year before the commencement of the new financial year and before finalization of the new budget and the reviewed/new IDP.

## **7. DEPARTMENTAL PERFORMANCE MANAGEMENT SYSTEM**

- 7.1 Each Department shall draw up its annual departmental performance management framework based on the Integrated Development Plan, Performance Management Framework, Strategic Plan and Service delivery and budget implementation plan (SDBIP).
- 7.2 The Departmental performance management system shall be driven and championed by the Head of the Department.
- 7.3 The Departmental performance management system shall set an enabling performance environment for the efficient and effective utilization of employees within the Municipality.
- 7.4 The Departmental key performance areas, objectives, indicators targets and results shall be formulated by the Manager or through a Departmental workshop.
- 7.5 The Municipality shall set aside an annual funding for departmental workshops to take place immediately after the adoption of the budget and the IDP for formulation of annual departmental performance plans.

- 7.6 The effective management of performance at a unit and individual levels shall be the responsibility of the head of the department or unit.
- 7.7 The Head of the unit shall ensure that employees complete tasks assigned to them within the context of a performance management system.

## **8. INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM**

- 8.1 The individual performance management system shall be largely informed by and based on the organizational and Departmental performance management system.
- 8.2 Appointment of individual managers shall be based on performance contract so as to enhance the culture of accountability and performance within the Municipality.
- 8.3 The practice of appointing managers on performance contract shall be extended up to **skills level 4 & 5 or equivalent level employees.**
- 8.4 Annual performance contracts or accountability agreements or undertakings /promises **/performance plans** shall be concluded between the person responsible for managing the performance of a particular employee and that employee.
- 8.5 Performance of Section 56 **/57** employees shall be strictly managed according to the 2006 performance management regulations issued by the Department of Provincial and Local Government.
- 8.6 Performance standards and measures for each employee shall be set according to the pre-determined performance values and criteria for the Unit and the post.
- 8.7 Performance management shall be pursued in order to identify performance gaps, deficiencies, and good performance for the purpose of making interventions and awarding rewards where necessary.
- 8.8 Employees shall be informed both verbally and in writing of what is expected of them in their jobs.
- 8.9 **The employees shall be assessed according to the competency model which entails job knowledge, skills, attributes and set performance standards, objectives and targets.**
- 8.10 Critical training needs shall also be established through this process.
- 8.11 Employees shall be entitled to receive regular feedback on their performance from their superiors.
- 8.12 In return, employees have a moral duty and obligation to perform their duties in terms of the set performance standards and job description without failure.



- 8.13 Rendering of services by employees in the most efficient, economical and effective manner shall lead to judicious delivery of the right quality and quantity of output at the correct time.
- 8.14 **Individual performance assessments shall be done quarterly in respect of all Employees.**
- 8.15 **Performance assessment shall be based on a set of performance standards, objectives and targets.**
- 8.16 **The Municipality shall establish a Performance Management System (PMS) Unit within the Corporate Services Department to drive the individual performance management programme of the Municipality.**
- 8.17 **The PMS unit shall be responsible for co-ordination of individual performance management from probation stage of personnel utilization through the entire life cycle of personnel utilization within the institution.**
- 8.18 **The PMS unit shall be responsible for recording the proceedings of performance assessment sessions at all times.**
- 8.19 **The PMS unit shall be the custodian and a place/point of reference for all working/current records of individual performance management subject to compliance with the requirements of the Municipal records and information management policy.**
- 8.20 **The PMS unit shall be responsible for managing and co-ordinating performance management in respect of provision of outstanding performance awards and payment of performance bonuses to respective employees.**
- 8.21 **The PMS unit shall be responsible for facilitation and/or institution of poor performance counselling proceedings as may be required in terms of feedback from various service users from time to time.**
- 8.22 **The institution of disciplinary proceedings arising from continuous poor work performance will be referred to the Labour Relations Unit within the Corporate Services Department of the Municipality.**
- 8.23 **Clause No.8.22 above shall be dealt with through provisions for incapacity proceedings.**

## **9. PROBATION MANAGEMENT SYSTEM**

- 9.1 A newly appointed employee for a period of not less than 12 months shall be required to serve a six month - probation period prior to confirmation of employment **and must have a signed performance contract/plan within a month from the date of assumption of duty.**

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

## 10. PERFORMANCE MANAGEMENT CYCLE

- 10.1 Performance expectations for the Section 56 **57** employees shall be set once in a financial year prior to the commencement of the new financial year **and may be reviewed in the six month-cycle in each financial year.**
- 10.2 Performance of the Section 56/**57** Managers shall be assessed four times in a financial year, that is, quarterly.
- 10.3 Each Section 56/**57** employee shall prepare a performance report according to the performance indicators/responsible areas and targets set out in the performance contract at the end of a three month-period.
- 10.4 Performance expectations for Divisional Managers, **Assistant Managers, Project Managers or equivalent job titles** shall be set in **the beginning of each financial year and may be reviewed in the six month-cycle in each financial year.**
- 10.5 Performance expectations for other employees shall be set in the beginning of each financial year.**
- 10.6 Performance of the Divisional Managers **Assistant Managers, Project Managers or equivalent job titles** shall be assessed **four times in a financial year, that is, quarterly.**
- 10.7 Each Divisional ~~Head~~ **Manager, Assistant Manager, Project Manager or equivalent job titles** shall prepare a performance report based on his or her performance contract or agreement at the end of **three month-period.**
- 10.8 Performance of the other employees shall be assessed on a quarterly basis by their individual supervisors according to the set performance standards and objectives.
- 10.9 A team based performance management methodology shall and/or may be used to assess and evaluate the performance of employees for all post from level 1 to 2 or equivalent grading including any clerical position or any office based position to give an account of his/her performance according to the set performance targets at the end of each quarter.**
- 10.10 The team based performance management methodology shall be developed in such a way that it can identify the high, medium and poor performers in a team in order to discourage non-performance.**
- 10.11 Employees shall be assessed individually for their performance by their immediate superiors in a formal or informal setting for quarterly performance preceding the mid-year and annual performance reviews.**
- 10.12 Once a performance report has been forwarded to the manager or the supervisor a meeting must be scheduled for the discussion of the report.**
- 10.13 Employees who are not required to write their performance reports shall be advised in writing to attend their oral performance assessment sessions.**

- 10.14 In this meeting/session, agreements and disagreements around performance issues shall be agreed upon between the employee and manager /supervisor and shall be recorded.**
- 10.15 Performance reports or records of performance shall be subjected to ratification and acceptance with or without alterations by the respective performance evaluation panel.
- 10.16 The annual performance review of Section 56/57 managers shall be dealt with in terms of section 27 of Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers.
- 10.17 Disagreements and disputes pertaining to performance for Section 56/57 employees shall be dealt with in terms of the 2006 Regulations for Municipal Managers and managers directly accountable to the Municipal Managers.
- 10.18 Any other performance dispute/disagreement affecting any employee shall be referred to a performance dispute resolution tribunal set up by the Municipal Manager for the purpose of resolving that particular dispute.**
- 10.19 The annual and mid-year performance review of all Divisional Managers **Assistant Manager, Project Manager or equivalent job titles** shall be assessed and ratified by an evaluation panel made up of the following members:
- 10.19.1 Manager: Corporate Services
  - 10.19.2 Manager **from the department where the employee comes from.**
  - 10.19.3 Member of the Audit Committee **as decided upon by the Audit Committee.**
  - 10.19.4 **The Manager from where the employee comes from shall chair the performance assessment session.**
- 10.20 **Notwithstanding Clause No 10.19 above, the Municipal Manager shall choose one of the Managers to stand for him or her when the performance of the Divisional Manager within the Office of the Municipal Manager is assessed; such chosen Manager shall be the chairperson of the performance assessment proceedings.**
- 10.21 **The performance assessment panel for annual and mid-year performance of all other posts or positions other than those mentioned in the preceding clauses (depending on the levels/grades) shall be constituted as follows:**
- 10.21.1 **The Manager: HR/Performance Management Practitioner**
  - 10.21.2 **The Manager of the Division/Immediate Superior of the employee**
  - 10.21.3 **The Manager of the Division/Immediate superior shall chair the performance assessment Proceedings.**
- 10.22 **In the absence of the member of panel due to the vacancy of the position the, acting person shall replace such person in the panel.**
- 10.23 **Any member of the panel shall prioritize attendance of the performance assessment sessions.**

**10.24** Should a member of the panel be unable to attend a particular performance assessment session, he/she shall choose a person to represent him/her provided such person's status is equivalent to that of his/hers in terms of this policy and 2001 Regulations.

**10.25** The quorum for each performance assessment panel to sit and conduct its business in terms of the 2001 regulations and this policy shall be 50% plus 1 in any given situation.

**10.26** If the dispute contemplated in clause No 10.18 is not resolved, the normal grievance or disciplinary procedures shall be followed in resolving the matter.

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

10.27.1 The Mayor

10.27.2 Chairperson of the Audit Committee or the Audit Committee member;

10.27.3 Two (2) Members of the Executive Committee members appointed by the Council

10.27.4 Mayor and/or Municipal Manager from another municipality

10.27.5 Manager: Corporate Services

10.27.2 Manager **from the department where the employee comes from.**

10.27.3 Member of the Audit Committee **as decided upon by the Audit Committee.**

10.27.4 **The Manager from where the employee comes from shall chair the performance assessment session.**

## **11. INDIVIDUAL PERFORMANCE CONTRACT SIGNING AND REPORTING**

**11.1** The performance contract shall be concluded between each employee within 30 calendar days reckoned from the first day of the new financial year or 90 calendar days upon commencement of employment in respect of all municipal officials appointed on performance contract.

**11.2** The employees appointed on performance contract (level 4 to 5 or equivalent job titles) shall in their performance agreements have all five National KPAs, with a total weight of 100%.

**11.3.1** All other employees shall choose three (3) to Six (6) individual KPAs/KRAs, with a total weight of 100% and these KPAs/KRAs must be aligned to the departmental key functional/responsibility area.

**11.3.2** In instances where the employee sees fit to have more than six (6) IKPAs/IKRAs this must be approved by the Manager concerned however it may not exceed eight (8).

**11.4** Each IKPA shall be weighted based on the level of importance, priority, time spent on it and the level of criticality to the Municipality.

- 11.5 The employee (Members of Management) shall chose a maximum of ten (10) core competency requirements (CCRs) including compulsory core managerial requirements (CMRs) with a total weight of 100%.
- 11.6 The selection of the CCRs shall be guided by the Job requirements and skills required to perform optimally.
- 11.7 Notwithstanding 11.2; the following ULM KRAs shall be applicable for all Management Committee Members where there is proven accountability or relevance:
- 11.7.1 Risk Management
  - 11.7.2 Supply Chain Management
  - 11.7.3 By – Law enforcement.
- 11.8 All other individual employees shall chose a minimum of six (06) and a maximum of ten (10) Generic Assessment Factors (GAFs) with a total weight of 100%.
- 11.9 Notwithstanding Clauses No. 11.2 to 11.8 above, scoring shall only be done on the KPAs/Individual KPAs/KRAs and CCRs/GAFs, respectively.
- 11.10 It is incumbent upon the employee to ensure that a performance contract is adequately completed and signed on time without errors.
- 11.11 Employees who are not on performance contract shall enter into performance accountability arrangement as per the prescribed performance plan and/or review template.
- 11.12 Employees who are on performance contract shall report their performance in a prescribed tool in all performance review intervals which may be reviewed from time to time.
- 11.13 All individual quarterly performance reports shall be due for submission to the immediate superiors within two weeks after the end of each quarter.
- 11.14 Mid-year and annual performance reports will be due for submission to the PMS unit within three weeks after the end of first six month-period and financial year respectively.
- 11.15 Each employee will be responsible for keeping his or her personal copies of the performance contract and individual performance reports in a safe place for reference purposes.
- 11.16 An employee who fails to sign a performance contract later than 60 calendar days after the due date, shall be regarded as not having complied with this policy, and the employee concerned may be required not to proceed to sign the performance agreement and shall be in breach of this policy and as such shall be referred to the Employee Relations Office within Corporate Services.
- 11.17 The PMS unit will be responsible for distributing performance contract, performance review, and individual performance reporting and probation assessment templates to the respective employees at least 7 calendar days before

the commencement of the period required for execution of any particular task to be performed in terms of this policy.

**11.18 Signed copies of the Performance Contracts for all officials appointed on performance contract shall be presented to the Audit Committee by end of second month of the financial year (i.e. 31 August) as evidence of compliance as a matter of due diligence on the part of the Municipality.**

**11.19 Notwithstanding Clause 11.1 above, performance contract, appendix A (performance plan) for each official may be reviewed and/or amended after mid – term budget review/adjustment in each financial year, should it be necessary to do so.**

## **12. QUARTERLY, MID - YEAR AND ANNUAL PERFORMANCE REVIEW**

12.1 The Municipal Manager shall perform the mid-year performance review after the first six months of the financial year.

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

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

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

12.5 Normal quarterly/ bi-monthly **(for probation)** /monthly performance review shall not be affected by the mid-year performance review.

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

12.7 The annual performance review shall be conducted at the end of the financial year **for all employees that have been in the service of the Municipality for a period longer than three (3) months for the financial year under review.**

**12.8 Notwithstanding clause 12.7 above, all employees appointed on performance contract based (i.e. the officials at positions with skills level 4 & 5) that have entered into a performance agreement at the beginning of or joined the municipality during the financial year under review, whether they are still in the service of the municipality or not, they shall be subjected to and invited for the annual assessment, and their assessments report shall be limited to the period or a number of months they were in the service of the municipality in that particular financial year; while all other affected employees (i.e. employees at posts with skills level 3 to 1) shall be**

**assessed for the period that they have served, immediate upon termination of service or prior to them leaving the Municipality.**

- 12.9 The annual performance review shall entail overall assessment of the employee for the entire 12 month-performance period **and/or for a number of months worked, but not less than three months in that particular financial year.**
- 12.10 This particular performance review shall not replace any of the regular performance appraisals in terms of this policy.
- 12.11 The annual performance review shall focus on overall evaluation of performance with a view of making necessary adjustments as may be required in the previous performance appraisals.
- 12.12 Awarded scores may be adjusted accordingly in the light of new information.
- 12.13 The main purpose of the annual evaluation shall be to establish an aggregate score for the year's performance.
- 12.14 The main purpose of establishing the aggregate score shall be to **determine a final score which may lead to performance reward or payment of performance bonus** where applicable or necessary.
- 12.15 **The mid-year performance score may be considered towards the determination of performance bonus where applicable or any form of performance reward where necessary.**

### **13. TOOLS OF PERFORMANCE MANAGEMENT**

- 13.1 The performance agreement shall be used as a tool for capturing critical performance information like performance objectives indicators and targets for all performance contract employees.
- 13.2 A performance assessment form for all other employees shall contain performance objectives, indicators and targets.
- 13.3 An account of performance progress achieved shall be provided in terms of the agreed upon procedure between the reviewer and employee.
- 13.4 An appropriate **working** tool shall be used **by all municipal employees in order to accomplish productivity and** to provide any necessary information needed for performance assessment.
- 13.5 Performance summary sheets, dashboards and other graphic visualizations may be used to illustrate performance by and for the employee concerned.

### **14. ELEMENTS OF PERFORMANCE PLANNING AND ASSESSMENT**

- 14.1 The elements of performance planning and assessment are as follows:



- 14.1.1 Job objective
  - 14.1.2 Tasks to be completed to achieve job objective
  - 14.1.3 Target/Success criteria which measure effectiveness of job objective achievement.
  - 14.1.4 Evidence of performance to illustrate examples of work achievement.
  - 14.1.5 Proficiency rating scale of 1 to 5 measuring effectiveness of target/success criteria achievement.
  - 14.1.6 Average rating for all scores assigned to targets/success criteria.
- 14.2 The above performance planning and assessment system shall apply to **all** employees **including** Section 57 employees of the Municipality.
- 14.3 The performance planning and assessment system for Section 57 employees shall apply according to the provisions of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Manager.
- 14.4 Both Supervisor and the employee shall be required to agree on the elements of the performance planning and assessment.
- 14.5 Annual competency assessments shall be conducted together with the annual skills audit on each employee and this shall be used to assess the individual's achievements on addressing the GAPS on the CCRs.**
- 14.6 Individuals, especial on skills levels 3 -1 posts or equivalent job titles, shall only be assessed on activities that they were given an opportunity and resources to deliver.**
- 15. MID-YEAR AND ANNUAL PERFORMANCE ASSESSMENT PROCEEDINGS**
- 15.1 The PMS unit shall be responsible for issuing invites to the members of the performance review panel to attend the planned performance review sessions.**
- 15.2 The PMS unit shall be responsible for inviting the employees to attend the planned performance review sessions.**
- 15.3 A notice of seven days (7) calendar days shall be given to any party to attend the performance review proceedings.**
- 15.4 All parties attending the performance review proceedings shall be required to sign an attendance register.**
- 15.5 The venue and time for the performance review sessions shall be identified and decided by the PMS unit in consultation with other relevant stakeholders.**
- 15.6 The Performance Management System Unit shall be responsible for budgeting for the funding of the performance management processes.**
- 15.7 The outcome of the annual and final performance review shall be submitted to the Audit Committee for review prior to submission of the same to the Council.**

- 15.8 The scores shall be allocated according to the National KPAs (for Management members) and Individual KPAs/KRAs (for all other employees), respectively.
- 15.9 The Audit Committee shall have the power to moderate final annual performance assessment scores.
- 15.10 The portfolio of evidence shall be used to verify the validity of scores given.
- 15.11 The internal audit unit shall conduct annual audits of all the portfolio of evidence before the final assessments are conducted or before the outcome of the final assessments can be implemented.

## **16. TARGET SUCCESS CRITERIA AND CALCULATION OF SCORES FOR AWARDING PERFORMANCE BONUS/REWARD**

16.1 The assessment of the performance of employee will be based on the following rating scale for KPAs/KRAs and CCRs/GAFs or overall target success criteria will assessed on a scale of 1 to 5 as follows:

- 16.1.1 1 = Unacceptable performance
- 16.1.2 2 = Not fully effective
- 16.1.3 3 = Fully effective
- 16.1.4 4 = Performance significantly above expectations
- 16.1.5 5 = Outstanding Performance

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

### **16.2.1 Individual Scoring**

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

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

### **16.2.2 The Panel Scoring**

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

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

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

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

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

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

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

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

16.5 The following table will be used to determine payment of performance bonus to performance contract employee:

**16.5.1 Final Score Bonus / Reward**

FINAL SCORE	BONUS/REWARD
150 and above	10% to 14% of the annual total remuneration package
130 to 149%	5% to 9% of the annual total remuneration package
129% and below	Compulsory Performance Counselling

16.5.2 The above table shall be normalised as follows:-

RANGE	SCORE	% Bonus
150 AND ABOVE	166 and above	14
	165	13.9
	164	13.8
	163	13.705
	162	13
	161	12.9
	160	12.85
	159	12.565
	158	12
	157	11.995
	156	11.71
	155	11.425
	154	11
	153	10.855
	152	10.57
	151	10.285
150	10	

RANGE	SCORE	% Bonus
Between 130 and 149	149	9
	148	9
	147	9
	146	9
	145	8.6
	144	8.5
	143	8.4
	142	8
	141	7.5
	140	7
	139	6.8
	138	7
	137	6.8
	136	6.5
	135	6.4
	134	6
	133	5.6
	132	5.4
	131	5.2
	130	5

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

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



- 18.2 A performance dispute resolution tribunal shall be appointed within 10 working days by the Municipal Manager after receipt of such complaint.
- 18.3 A performance dispute resolution tribunal shall be made up of not less than 3 members and not more than 5 members.
- 18.4 The members of the performance dispute resolution tribunal shall be drawn from municipal officials serving in the managerial and supervisory positions, whose post level are above that of the accused employee.
- 18.5 The performance dispute tribunal shall have a chairperson appointed by the Municipal Manager, **whether from internal or external, preferable not outside the jurisdiction of the District municipality and could be done in the spirit of intergovernmental relations.**
- 18.6 The performance dispute tribunal chairperson shall convene a meeting within 14 working days of the receipt of the dispute to hear the dispute.
- 18.7 The employee shall be afforded representation rights and other rights as accorded in the disciplinary procedure.
- 18.8 The proceedings of the tribunal shall be recorded by means of a mechanical device.
- 18.9 The employee shall lead evidence in chief and the supervisor or manager of the employee shall reply in stating the employer's side of the story.
- 18.10 The employee and his/her representative shall cross-examine the manager or supervisor.
- 18.11 The tribunal shall deliver its verdict within 10 working days after completion of the proceedings to the Municipal Manager.
- 18.12 The employee shall be advised about the decision of the tribunal within five working days of receipt of the verdict of the tribunal by the Municipal Manager.
- 18.13 If the employee is not satisfied with the outcome of the performance dispute resolution, the matter can then be treated in terms of the grievance procedure of the Municipality.
- 18.14 If the matter is not resolved in terms of the grievance procedure, the matter may be referred to the Bargaining Council for resolution by the employee or dealt with in terms of the other applicable law.
- 18.15 If the Municipal Manager has a dispute with his/her performance, the matter must be taken to Council.**

## **19. PAYMENT OF PERFORMANCE BONUS/REWARD**

- 19.1 100 % of the annual aggregate score shall be equal to a maximum amount of bonus stipulated in the performance or employment contract of an employee.
- 19.2 The payment of performance bonus/reward to the performance contract employees shall be done in terms of the relevant provisions of section 16 of this**

**policy and** for the Section 57 employees shall **also** be managed according to the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly accountable to Municipal Manager.

- 19.3 100% of the annual aggregate score for the category of employees not receiving performance bonus shall be equivalent to the first prize.
- 19.4 80 % of the annual aggregate score shall be equivalent to the second prize in respect of the category of employees not receiving performance bonus.
- 19.5 60 % of the annual aggregate score shall be equivalent to the third prize in respect of the category of employees not receiving annual bonus.
- 19.6 **Notwithstanding clauses 12.8; 12.9; &12.14**, payment of a pro rata performance bonus where necessary shall be limited to a minimum period of not less than three months.
- 19.7 Employees falling outside the category of the service bonus earners shall be rewarded for best performance through prize system.
- 19.8 The performance bonus receiving employees shall not participate in the performance prize competition.

## **20. REWARD AND RECOGNITION OF EXCELLENCE**

- 20.1 Employees falling outside the category of the performance bonus earners shall be rewarded for best performance through prize system.
- 20.2 **The monetary value of the first prize shall not exceed 0.05% of the total Municipal personnel expenditure in the previous financial year.**
- 20.3 The monetary value of the second prize shall not exceed 0.04% of the total Municipal personnel expenditure for the previous financial year.
- 20.4 **The monetary value of the third prize shall not exceed 0.03% of the total municipal personnel expenditure for the previous financial year.**
- 20.5 A winning employee or group of employees shall choose either the cash prize or a gift to the approximate value of the cash prize, subject to the management deciding the best form of a reward.
- 20.6 All performance and recognition rewards shall be handed over in a special annual ceremony organized to confer the awards and honour good performance in a very symbolic and prestigious fashion.
- 20.7 **In cases of neck to neck situations the evaluation panel shall devise the most appropriate and fair mechanism of undoing a tie so as to having more than one first, second and third prize winners in each Department.**
- 20.8 **This mechanism will include calling for representations from the supervisors and managers concerned with regard to the performance of those employees.**

## **21. INCAPACITY PROCEEDINGS ON GROUNDS OF POOR PERFORMANCE**

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

## **22. DISMISSAL ON GROUNDS OF POOR PERFORMANCE**

- 20.1 The person determining whether a dismissal for poor performance is unfair should consider the following:
  - 20.1.1 The performance standards set for the employee in terms of what ever accountability arrangement.
  - 20.1.2 Whether or not the employee failed to meet the performance standard set.
  - 20.1.3 The employee was aware or could have reasonably be expected to have been aware of the required performance.
  - 20.1.4 The employee was given a fair opportunity to meet the required performance standard.
  - 20.1.5 The employee was given adequate support in terms all resources required to perform up to the required standard including training, guidance, coaching, mentoring where necessary and counselling.
  - 20.1.6 The dismissal is a fair sanction for not meeting the required performance standard.

## **22. ACTIONS TAKEN ON GROUNDS OF POOR PERFORMANCE**

- 22.1 Should an element of poor performance determined, the relevance person shall further determine whether clause 8.22 of this policy should be applied or not, and if yes, the following should be considered:**
  - 22.1.1 The performance standards set for the employee in terms of whatever accountability arrangement.
  - 22.1.2 Whether or not the employee failed to meet the performance standard set.

- 22.1.3 The employee was aware or could have reasonably be expected to have been aware of the required performance.
- 22.1.4The employee was given a fair opportunity to meet the required performance standard.
- 22.1.5 The employee was given adequate support in terms of all resources required to perform up to the required standard including training, guidance, coaching, mentoring where necessary and counselling.
- 22.1.6 The Dismissal is a fair sanction **for incapacity proceedings where it is proven on balance of probabilities that failure to meet** the required performance standard **has not been remedied despite all forms of support provided.**

## **23 COMMENCEMENT**

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

## **24. INTERPRETATION OF THIS POLICY**

- 24.1 All words contained in this policy shall have an ordinary meaning attached thereto, unless the definition or context indicates otherwise.
- 24.2 Any dispute on interpretation of this policy shall be declared in writing by any party concerned.
- 24.3 The Municipal Manager shall give a final interpretation of this policy in case of a written dispute.
- 24.4 If the party concerned is not satisfied with the interpretation, a dispute may then be pursued with the South African Local Government Bargaining Council/ Arbitration.

## **25. PERMANENT/TEMPORARY WAIVER OR SUSPENSION OF THIS POLICY**

- 25.1 This policy may be partly or wholly waived or suspended by the Municipal Council on a temporary or permanent basis, after consultation with Management and Trade Unions.
- 25.2 Notwithstanding clause No. 25.1 the Municipal Manager may under circumstances of emergency temporarily waive or suspend this policy subject to reporting of such waiver or suspension to Council and Trade Unions.

## **26. AMENDMENT AND/OR ABOLITION OF THIS POLICY**

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



## **27. COMPLIANCE AND ENFORCEMENT**

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

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

**APPROVED BY**

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**GPT NOTA  
MUNICIPAL MANAGER**