



**Greater Taung**  
*Local Municipality*

# **PERFORMANCE MANAGEMENT**

## **POLICY AND SYSTEM**

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## **1. Background**

The PMS Policy provides a standardised framework for all levels of employment in the Greater Taung Local Municipality.

Three main levels are involved: at the organisational level, the Council and the Accounting Officer determine the strategic priorities and overall key performance areas of the municipality. Objectives are identified for the priorities and assigned to departments within the municipality. At the departmental level, departments develop Service Delivery and Budget Implementation Plans that guides the execution of projects and activities that lead to the achievement of the Integrated Development Plans and give effect to Budget implementation. At the employee level each employee develops a performance agreement jointly with her or his supervisor based on the job description of the employee.

Performance management is regarded as a communication process that helps managers provide a motivating climate to assist their employees in developing and achieving high standards of performance. Its focus is on management processes and behaviors and is not considered to be an annual form filling in exercise.

Ultimately, the performance management system is designed to facilitate the Greater Taung Local Municipality achieving its objectives as set out in the Municipality's Integrated Development Plan and the Service Delivery Budget Implementation Plans.

### **1.1. Scope of application**

This policy applies to all employees appointed by the Greater Taung Local Municipality

## **2. ORGANISATIONAL PERFORMANCE MANAGEMENT AND THE LINK TO INDIVIDUAL PERFORMANCE MANAGEMENT**

### **2.1. Core Components of the Performance Management System**

A performance management system is required to promote a culture of performance management among its stakeholders. The core components of this performance management system are as follows:

- Setting of appropriate key performance indicators;
- Setting of measurable performance targets;
- Monitoring performance;
- Measuring and reviewing performance at least twice a year;
- Taking steps to improve performance; and
- Establishing a process of regular reporting.

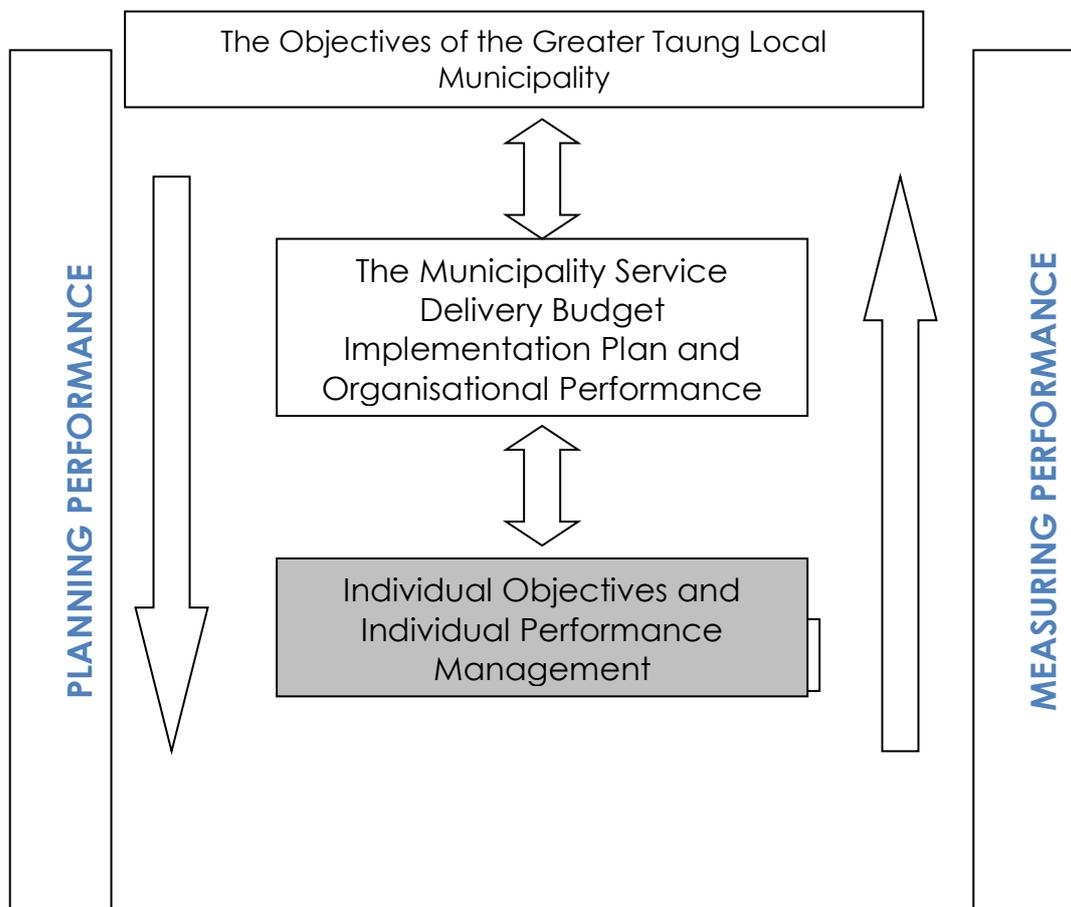
The above performance management is essentially concerned with the overall performance of the Greater Taung Local Municipality i.e. the development and monitoring of performance indicators and standards for the Greater Taung Local Municipality as a whole.

In order to ensure that the Greater Taung Local Municipality meets its organisational performance indicators and standards it is appropriate to introduce a performance

management system for individual Employees within the Greater Taung Local Municipality thus each individual is given performance objectives, targets and standards that are linked to the job description, objectives of his/her team, his/her department and ultimately the Organisation.

## 2.2. Link between Organisational and Individual Performance

The diagram below illustrates the link between organisational performance management and individual performance management. Once organisational objectives and targets have been set it is possible to cascade these down to the relevant departments and individuals. In turn, the individuals and departments, by achieving their objectives and targets contribute towards the Greater Taung Local Municipality achieving the objectives and targets in its Service Delivery Budget Implementation Plan drawn for the service delivery agreement and the Municipality’s integrated development plan.



This performance management policy and procedure document is concerned with planning and measuring the individual performance of Employees within the Greater Taung Local Municipality.

If each Employee achieves his/her performance objectives, which are linked to the department's objectives, which are in turn linked to the Service Delivery Budget Implementation Plans, then the Greater Taung Local Municipality will ultimately achieve its organisational performance objectives.

Individual performance management occurs at the level of the working relationship that exists between the Employee and his/her Manager/Supervisor.

The advantages of this model are that it:

- Links individual performance directly to organisational goals;
- Ensures accountability without micro-management by managers or the executing authority;
- Clarifies exactly what employees should achieve, what they are responsible for and what will be required to achieve the objectives, outputs and outcomes.
- Enable the organisation to develop information systems that will track progress and achievements against targets and relate this to the budget and resources.

## **2.3. Goal and objectives of performance management**

### **2.3.1. Goal**

For the purpose of this employee performance management system, performance management is aimed at improving employee performance. The aim of performance management is to optimise every employee's output in terms of quality and quantity, thereby increasing the municipality's overall performance.

In order for the municipality to achieve individual excellence and achievement, the objectives of implementing a Performance Management System in the Greater Taung Local Municipality are to:

- Achieve sustainable improvements in service delivery to the community;
- Develop constructive and open relationships between Managers/Supervisors and Employees;
- Encourage and reward good performance;
- Manage and improve on poor performance;
- Link the Municipality's performance to team and individual performance; and
- Enable individuals to develop their abilities, increase their job satisfaction and achieve their full potential so that both the Employee and the Greater Taung LM's benefit;

- Translate the vision, mission and IDP into clear, measurable outcomes and indicators and performance levels that define success which are shared throughout the municipality with the buy-in of all stakeholders;
- Provide a tool for assessing, managing and improving the overall health and success of processes and systems;
- Create a culture of best practices;
- Promote accountability;
- Improve quality, cost, efficiency, effectiveness, customer service, employee alignment, motivation and skills in order to enhance performance;
- Evaluate performance fairly and objectively; and;
- Recognise categories of performance that are fully effective and better; and
- Manage categories of performance that are not fully effective and lower.

### **2.3.2. Objectives**

The objectives of GTLM is captured in the IDP in is linked to the functions of relevant departments in GTLM.

### **3. RATIONALE**

#### **3.1. The Rationale**

The key principles underpinning the development of mechanism to manage performance of employees are outlined in the section 67 (1) (d) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), requires municipalities to:

- 3.2.** Develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration in accordance with applicable law and subject to any applicable collective agreement, including the monitoring, measuring and evaluating of performance of staff.

### **4. THE PERFORMANCE MANAGEMENT CYCLE**

#### **4.1. The PMS Cycle**

The performance cycle is a 12-month period for which performance is planned, executed and assessed. It must be aligned to the same period as the Municipality's annual Service Delivery Budget and Implementation Plan i.e. 1st July to 30<sup>th</sup> June of the following year.

The 12-month cycle is also linked to the financial year for the purpose of planning, pay progression and other performance related incentives such as performance awards or cash bonuses.

The 3 months probation cycle is however linked to the appointment date of an employee.

#### **4.2. Phases of the PMS Cycle**

There are four key phases in the performance management cycle. This performance management system is designed to ensure that each phase is taken into consideration when managing the performance of an Employee.

- **Phase 1:** Performance planning and agreement;
  - What is the Employee expected to do this year?
- **Phase 2:** Performance implementation, monitoring, development and control
  - How well is the Employee doing throughout the year?
- **Phase 3:** Performance assessment or appraisal;
  - How well has the Employee done at mid-year and at year end?
- **Phase 4:** Managing the outcomes of assessment
  - What recognition will the Employee get for outstanding performance?
  - How will underperformance be managed?

The following table details the performance management system with regard to timing and activities required for each of the four key phases in the performance management cycle:

<b>PHASE</b>	<b>TIMING</b>	<b>ACTIVITIES</b>
<b>PLANNING</b> Performance planning and agreement;	June each year i.e. before beginning of financial year	<ol style="list-style-type: none"> <li>1) Manager/Supervisor to schedule meeting with Employee to agree on performance objectives for the year.</li> <li>2) Both the Manager/Supervisor and the Employee are required to prepare for this meeting.</li> </ol>
<b>COACHING</b> Performance implementation, monitoring, developing and control	Ongoing throughout the year	<ol style="list-style-type: none"> <li>1) Manager/Supervisor to create both formal and informal opportunities to provide feedback to the Employee on his/her performance against the agreed objectives.</li> <li>2) Employees to ask for feedback and assistance when required.</li> </ol>
<b>REVIEWING</b> Performance planning and agreement;	January of each year – midyear review	<ol style="list-style-type: none"> <li>1) Manager/Supervisor to set up formal mid-year review in January to assess the relevance of the objectives and the Employee's performance against the objectives.</li> <li>2) Manager/Supervisor to set up a formal final review in July.</li> </ol>
	July of each year - final review after the end of the Financial Year	<p>The process for reviewing performance is as follows:</p> <ol style="list-style-type: none"> <li>1) Manager/Supervisor to request input from the Employee's performance throughout the year.</li> <li>2) Manager/Supervisor to prepare scores of Employee's performance against agreed objectives as a result of the evidence and "customer" input.</li> <li>3) Manager/Supervisor to ask Employee to prepare for mid-year review or formal review by scoring him/herself against the agreed objectives.</li> <li>4) Manager/Supervisor and Employee to meet to conduct formal performance review and agree on final scores. It may be necessary to have two meetings i.e. give Employee scores and allow him/her time to consider them before final agreement. Where an Employee and Manager/Supervisor disagree on the score, the Manager's/Supervisor's decision is final (evidence for auditing).</li> <li>5) Manager/Supervisor and Employee to prepare and agree continuous improvement plan – this only needs to be done at the final review in June and not at the mid-year review.</li> </ol>
<b>REWARDING</b> Managing the outcomes of assessment	Budget in February of each year	<ol style="list-style-type: none"> <li>1. In February of each year the Manager/Supervisor is required to provide information to the Finance Department in relation to the budget and the possible maximum payout required in terms of the performance reward scheme.</li> <li>2. Manager/Supervisor to review the results of his/her department's performance reviews and determine appropriate reward as per the reward section in this policy.</li> <li>3. Manager/Supervisor to set up meeting with the Employee to give feedback on the link to reward as a result of the review.</li> </ol>
	Reward in July of each year	

## 5. PERFORMANCE PLANNING AND AGREEMENT (refer to Template 1)

### 5.1. The performance agreement

#### What is a Performance Agreement (PA)?

A PA is an agreement between the employer and an the employee that –

- defines the employer's expectations of the employee's performance;
- defines the key areas of work (KPA) for which the employee is responsible for as well as performance standards within each KPA;
- creates the basis for monitoring the performance of the employee against set targets; and
- establishes procedures for assessment of the employee's performance against agreed criteria.

#### 5.1.1. Components of PA

The content of a PA must include the following:

- **Performance agreement:** Personal details, performance assessment framework, Conditions of performance,
- **A workplan** containing the KPAs, Objectives, Key Performance Indicators, Baseline, Targets (annual and quarterly) outputs, and resource requirements.
- **A personal development plan (PDP)** that identifies the competence and other developmental needs of the employee, as well as methods to improve these.
- **Code of conduct:** Clarifies the municipality's expectations of its employee's behavior and provides a guide for the maintenance and consistent behaviour in delivering services. Employees must be committed to the highest standards of ethical behavior. It reaffirms its commitment to caring for the community's needs and maintenance of fiscal responsibility on behalf of the public.

#### 5.1.2. Who are the parties to the Agreement?

In the case of a –

- **Municipal manager (MM):** the MM and the Mayor as the representative of the municipality;
- **Section 56/57 Manager:** Specific manager and MM as the representative of the municipality;
- **Unit manager:** Specific Unit manager and the Section 56/57 manager as a representative of the municipality;

- **All staff levels:** the specific staff member and immediate supervisor as representative of the municipality.

### **5.1.3. Commencement and duration**

- This Agreement will commence on 1 July each year and will remain in force until 30 June the following year, where after a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- The parties must review the provisions of this Agreement during June each year and must conclude a new Performance Agreement, Performance Plan and Personal Development Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- This Agreement will terminate on the termination of the Employee's contract of employment for any reason.
- If at any time during the validity of the Agreement the work environment alters to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

#### 5.1.4. Termination

- The performance agreement will terminate on the termination of employee's contract of employment for any reason.

#### 5.1.5. Criterion for assessment

- The criteria for assessing the performance of all the employees consist of **Key Performance Areas (KPAs)** and **Core Competency Requirements (CCRs)**, which are in the PA. Each employee must be assessed against both areas.
- **For Municipal Systems Act (MSA) Section 57 employees (level 0-1- Non-bargaining Council):** KPAs account for 80% of the final assessment, and CCRs make up the other 20% of the assessment score.
- **For employees on (level 0-2- Bargaining Council):** KPAs account for 80% of the final assessment, and CCRs make up the other 20% of the assessment score.
- **For employees on level 3-12:** KPAs account for 70% of the final assessment, and CCRs make up the other 30% of the assessment score.
- **For employees on level 13-14:** KPAs account for 60% of the final assessment, and CCRs make up the other 40% of the assessment score.
- **Key Performance Areas (KPAs)** describe what is expected from the employee in his/her role. A KPA is an area of a job in which performance is critical for making an effective contribution to the achievement of departmental strategies, goals and objectives and focuses on actions and activities. The PA template provides for the inclusion of a work plan that describes the KPAs and criteria for their measurement.

### 5.2. What is a Performance Plan/Workplan (PP)?

#### 5.2.1. A Performance Plan: see attached Template 2

- Is a management tool that enables the performance of the employee to be assessed in an objective and fair manner;
- Is specific to the job and period for which it applies; and
- Aims to provide the basis from which to assess the performance of the employee.

#### 5.2.2. Setting priorities/ weightings for KPAs

- This municipality may decide which of the KPAs to prioritise at any given timeframe;
- This municipality may decide that the most important areas for an MM is to focus on in a financial year;
- This municipality shall indicate its priorities by allocating a weighting to each KPA
- The weight must be expressed as a percentage, and the allocated weightings must total 100%;

- Because MMs are responsible for the overall performance of the municipal administration, their areas of work are the same as those of the municipality as a whole (must include the 5 KPAs);
- In the case of MSA Section 57 managers, the KPAs related to their functional areas enjoy preference (this does not exclude their contribution to other strategic areas).

Example:

<b>Key Performance Areas</b>	<b>Weighting</b>
Municipal Transformation & Organizational Development	20
Good Governance & Public Participation	20
Local Economic Development	20
Municipal Finance Viability & Management	20
Good Governance & Public Participation	20
<b>Total</b>	<b>100%</b>

### **5.2.3. Key Performance Indicators (KPIs)**

- KPIs must be developed for each of the performance objectives;
- An objective may have more than one indicator;
- KPIs are management tools against which the achievement of targeted outputs for each KPA/ the performance of employee is measured;
- KPIs must be simple, measurable, achievable, realistic and as specific as possible.

### **5.2.4. Core Competency Requirements (CCRs)**

#### **5.2.4.1. CCR for Section 57s and Unit Managers**

Are elements of knowledge, skill, and/or attribute directly related to effective performance in a job. The CCRs are supplementary to the specific performance criteria (KPAs) for any particular job.

From the list below the supervisor and employee must agree on at least five CCRs deemed to be most important for effective performance in that job.

- Strategic Capability and Leadership
- Programme and Project Management
- Financial Management
- Change Management

- Knowledge Management
- Service Delivery Innovation
- Problem Solving and Analysis
- People Management and Empowerment
- Client Orientation and Customer Focus
- Communication
- Honesty and Integrity

#### **5.2.4.2. CCRs for Senior Managers and Employees**

For the senior managers and employees with managerial responsibilities the following three CCRs are compulsory and shall **as a minimum** be included in their PAs –

- Financial management
- People management and empowerment
- Client orientation and customer focus (Batho Pele principles).

#### **5.2.4.3. CCRs for level 4-16**

- **Refer to Template 3**

### **5.3. Personal Development Plan (PDP)**

- The PA must include a Personal Development Plan (refer to **Template 3** for an example).
- PDP identifies the competence and other developmental needs of the employee, as well as methods to improve these.
- The purpose of the development plan is to identify any performance output shortfall in the work of the employee, either historical or anticipated, and then to plan and implement a specific set of actions to reduce the gap.
- The competency gap may relate to any of the CCRs included in this policy or any other area of the employee's knowledge, skill and attribute requirement.
- The PDP should include interventions relating to the technical or occupational "hardskills" of the job, through e.g. appropriate training interventions, on-the-job training, Expanded job exposure, and job rotation.
- The employee and the supervisor are required to take joint responsibility for the achievement of the PDP with allocated accountabilities clearly recorded on the PDP agreement document.

## **6. THE MANAGER'S/SUPERVISOR'S ROLE IN PERFORMANCE MANAGEMENT**

### **6.1. The Manager's/Supervisor's role in the Performance Management Process includes:**

- Using the performance management process to coach Employees. This involves giving ongoing feedback to Employees and assessing their performance;
- Setting objectives with Employees in such a way that continuous improvement is encouraged;
- Monitoring Employees' performance against these objectives;
- Using reward and recognition to reinforce good performance;
- Managing poor performance appropriately; and
- Training, coaching and developing Employees.

### **6.2. To be successful in managing performance the Manager/Supervisor needs to:**

- Communicate the Greater Taung LM's strategic objectives and the department goals to Employees, and show them how their work contributes to the success of the Municipality;
- Ensure that Employees know what is expected of them and why;
- Help Employees to set challenging but realistic objectives and work with Employees to help them achieve these objectives;
- Identify knowledge, skills and behaviours needed by the Employee to achieve the objectives and performance standards that have been set;
- Conduct a mid-year review with the Employee to ensure that the objectives are still relevant and to assess the Employee's progress to date against the objectives;
- Complete an Personal Development Plans together with the Employee that caters for the Employee's specific developmental needs in relation to the Municipality; and
- Create a climate that encourages Employees' natural motivation. A Manager/Supervisor must be aware of how his/her management style impacts on the way it "feels" to work in his/her department.

## **7. THE EMPLOYEE'S ROLE IN PERFORMANCE MANAGEMENT**

The Employee must take an active role in the performance management process. The Employee's role includes:

- Suggesting challenging but realistic objectives that will support the Greater Taung Local Municipality's strategies and department goals.
- Taking responsibility for the standard of their performance by trying to improve and develop themselves;
- Developing and implementing action plans so that they can achieve their objectives.
- Asking their Manager/Supervisor for information, help or advice to assist them in meeting their objectives.
- Asking for feedback from others, including their Manager/Supervisor so that they can monitor their own performance.
- Making suggestions on how they can improve on their performance.
- Keeping their Manager/Supervisor informed about how well they are doing in relation to their objectives.
- Keeping their Manager/Supervisor informed of any problems or potential problems which may affect their ability to achieve some or all of their objectives and performance standards.

## **8. PERFORMANCE MONITORING, REVIEW AND ASSESSMENT**

### **8.1. Performance monitoring**

Performance at the individual level must be continuously monitored to enable the identification of performance barriers and changes and to address development and improvement needs as they arise, as well as to –

- determine progress and/or identify obstacles in achieving objectives and targets;
- enable supervisors and employees to deal with performance-related problems;
- identify and provide the support needed;
- modify objectives and targets; and
- ensure continuous learning and development.

### **8.2. Performance review and assessment**

(Half-yearly review form at **Template 5**)

Performance review meetings are an integral part of the monitoring process. These reviews must take place as often as is practical and/or quarterly. The reviews are necessary to motivate and to reveal to the employee areas that need improvement and if required, to modify the PA.

#### **8.2.1. Assessing performance**

The criteria upon which the performance of an employee must be assessed consists of two components –

- Performance should be assessed against KPAs (OUTPUTS):- performance should be assessed against the Core Competency Requirements (INPUTS).
- Every employee must be assessed against both components with a weighting of 80:20 allocated to the KPA and CCR respectively.
- The municipality must decide which of these CCRs are critical for the job in question.
- Once the relevant CCRs have been selected, they must be weighted.
- Weights allocated to selected CCRs must be expressed as a percentage, aggregated a total of 100%.
- The process applies to all employees.

### 8.2.2. The supervisor should prepare to –

- Reviewing the previous period and objectives and targets for the next period;
- Reviewing support needed and drafting training and development needs;
- Seeking appropriate feedback from relevant role-players to support the process;
- Reviewing and updating all relevant documentation; and
- Identifying internal/external factors affecting the employee's performance.

### 8.2.3. The employee should prepare to –

- Reviewing previous objectives and identifying possible new objectives;
- Collecting supporting facts on performance delivered;
- Identifying factors that affected his/her performance;
- Identifying support that will be needed as well as possible training and development needs; and
- Reflecting on the feedback to be given to the supervisor.
- The review should be a one to one discussion between the supervisor and the employee.
- The content and outcomes of the half-yearly feedback session and the end of year assessment should be signed by both parties.
- The December review is the mid-year review and the June review is, in fact, the "end-of-cycle" annual performance review.
- At all levels the periodic reviews must also include a discussion on the employee's development plan requirements.
- The final assessment discussion must take place at the end of the performance cycle and coincides with the end of the financial year, i.e. June of each year.
- The result of the assessment discussion and evaluation is an assessment score for the employee's performance that is the total of the individual **KPA and CCR's assessment scores**.

#### **8.2.4. The assessment discussion should enable –**

- An opportunity for the employee to assess his/her own performance and its contribution to organisational goals and to identify areas of improvement;
- An opportunity for the supervisor to provide formal feedback on performance over the year and to identify ways of improving what was achieved;
- An opportunity for the employee to contribute to, and respond to comments regarding his/her performance and identify issues beyond his/her control that limit the achievement of results;
- An open discussion between the employee and his/her supervisor in which achievements can be fully recognised and ideas for problem solving agreed;
- Agreement on an overall assessment score reflecting judgement on the level of achievement attained in terms of the performance agreement; and
- An opportunity for the supervisor and the employee to agree on areas of personal development.

### **9. THE DOCUMENTATION**

All employees are required to sign an Employment Contract, Job Description, a Performance Agreement with declaration of business interests.

### **10. SCORING PERFORMANCE**

An employee will be scored by his/her Manager. The Manager will be required to obtain input from relevant sources before completing the scoring.

The employee will also be required to score him/herself prior to the review. This will ensure that the employee is involved in the review discussions.

<sup>1</sup>The assessment of the performance of the employee will be based on the following rating scale:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Excellent performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the Performance Agreements and Performance plan and maintained this in all areas of responsibility throughout the year.					
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	Satisfactory	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the Performance Agreements and Performance Plan.					
2	Below satisfactory	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the Performance Agreements and Performance Plan.					
1	Poor Performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the Performance Agreements and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.					

Where a Manager and employee differ in their scores a discussion should be held to agree on a final score. The Manager's decision, however, is final.

<sup>1</sup> The rating scale was introduced through the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers 2006, Department of Provincial and Local Government.

## 11. CORE COMPETENCIES

Every Employee, no matter at what level or within what function, is required to demonstrate a number of behaviours and skills that are considered core to achieving the objectives of the municipality. The competencies represent behaviours that, when displayed by Employees, will contribute to outstanding performance within the Greater Taung Local Municipality. The weighting allocated to the Core Competency Requirements is 20% out of a total of 100%.

The municipality must also select competencies required for the attainment of the objectives of the Municipality in all the different job at the level of section 57 employees from the Core Competencies below, which are drawn from the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006.

Of the all the Core Competency Requirements below for section 57 employees, 5 critical ones must be selected and included in a Performance Plan. In the case of the Municipal Manager and direct reports the ones endorsed are compulsory.

<b>CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)</b>		
<b>Core Managerial and Occupational Competencies</b>	<b>√ (Indicate choice)</b>	<b>Weight</b>
<b>Core Managerial Competencies:</b>		
Strategic Capability and Leadership		
Programme and Project Management		
Financial Management	compulsory	
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	compulsory	
Client Orientation and Customer Focus	compulsory	
Communication		
Honesty and Integrity		
<b>Core Occupational Competencies:</b>		
Competence in Self Management		
Interpretation of and implementation within the legislative and national policy frameworks		
Knowledge of developmental local government		
Knowledge of Performance Management and Reporting		
Knowledge of global and South African specific political, social and economic contexts		
Competence in policy conceptualisation, analysis and implementation		
Knowledge of more than one functional municipal field / discipline		

<b>CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)</b>		
<b>Core Managerial and Occupational Competencies</b>	<b>√ (Indicate choice)</b>	<b>Weight</b>
Skills in Mediation		
Skills in Governance		
Competence as required by other national line sector departments		
Exceptional and dynamic creativity to improve the functioning of the municipality		
<b>Total Percentage</b>	<b>-</b>	<b>100%</b>

Two competencies, namely customer service and teamwork are considered to be core and must appear in every Employee's performance agreement or scorecard of permanent employees. The third competency, namely service delivery, is optional, and it is at the discretion of the Manager/Supervisor to decide whether or not to include it on the Employee's Performance Agreement.

The table below provides the referred to above:

<b>Competency</b>	<b>Definition</b>
<b>Customer Service CORE</b>	Whether providing a service to an internal or external customer this means trying to find out what the needs of the customer are and then meeting these needs. At a minimum Employees are required to react to customer needs by following up on queries, keeping promises, being honest in all their dealings, adhering to the policies, procedures and delegations of the Municipality, keeping the customer up to date, being friendly and helpful and solving problems quickly and without argument. Ideally all Employees, especially those at a management/supervisory level are required to be proactive by trying to understand the underlying needs of the customer and providing an appropriate service based on these underlying needs.
<b>Teamwork CORE</b>	In order to be successful and to meet our service delivery requirements it is essential that all Employees co-operate and communicate with each other. This is measured by the extent to which an Employee does his/her share of the work; helps out in times of crisis, supports decisions taken by the Greater Taung Local Municipality, makes an effort to communicate with team members so that he/she knows what is going on in other areas besides his/her own and provides information to others on what he/she is doing. At a Management/Supervisory level Employees are required to facilitate a friendly working environment where co-operation is encouraged, where conflicts are resolved quickly and amicably and where information is communicated so that there is a common knowledge and understanding of Greater Taung Local Municipality activities.

Competency	Definition
<b>Service Delivery OPTIONAL</b>	This is about wanting to work well to achieve a high standard by trying to improve on the way things are done and by working towards achieving the work objectives. It is also about putting plans into action, meeting deadlines, taking initiative and solving problems to make sure that things get done. Employees do not wait to be told to do something but rather are encouraged to use their initiative to make sure that things get done accurately and efficiently.

## 12. REVIEWING PERFORMANCE

Two review sessions are held as follows:

1. A mid-year review is conducted in January to assess the relevance of the objectives as well as the Employee's performance against the objectives. The employee is not scored at this stage.
2. A formal final review is conducted after the adoption of oversight committee report (April). The final performance score is used to determine the link to reward system.
3. A remedial action/ remedial action plan for the Employee must be developed at the end of the final review.

## 13. THE LINK TO REWARD – Fixed-Term Contract Employees

For fixed-term contract employees, remuneration is linked directly to performance in the following two ways:

- a. Through the award of an annual bonus; and
- b. Through the payment of an annual salary increase.

These awards are based on performance as measured against the performance management system.

The purpose of linking performance to financial reward is to motivate employees towards the successful implementation of business strategies, and to increase overall organisational motivation and efficiency.

The system is designed to reward superior performance. The same scheme framework applies to all participants and requires meeting pre - set targets, as defined in the performance agreement.

The targets will be set by the management of Greater Taung Local Municipality at the beginning of the financial year, and will be taken from the Municipality's Service Delivery Budget Implementation Plan. At the end of the year performance is measured against the set targets and the bonus is accordingly calculated.

### 13.1. The Bonus Scheme

Employees on fixed-term contracts are eligible for a performance bonus of between 5% and 14% of their total annual package.

(Establishment of the remuneration committee in terms of section 57 of the Systems Act)

- Rating Performance

Performance is measured against a performance plan i.e. previously established and agreed performance targets. A performance score is calculated according to key performance indicators. Performance scores are added together to give an overall performance score using the assessment rating calculator<sup>2</sup>. The amount of the bonus is determined by the total performance score.

- Award Determination (applicable to level 0-2)

- The range of earning as a percentage of annual salary (Total Package) is shown in the table below:

<b>Final Score (%)</b>	<b>Bonus Amount</b>
150% and above	10% - 14% of Annual Salary
129% - 149%	5% - 9% of Annual Salary
Below 129%	0% Bonus

Performance scores below 129% are not eligible for a bonus.

### 13.2. Annual Increase

Fixed-term contract employees' all-inclusive annual remuneration package shall be adjusted annually through cost-of-living adjustments based on market indicators as determined by the Executive Committee.

Annual cost-of-living adjustment will not be linked to performance. The annual increase will be awarded annually at the beginning of the financial year or any other date determined by the Council.

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<sup>2</sup> Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers 2006, Department of Provincial and Local Government.

### **13.3. Administration of Bonuses**

1. The final decision regarding the amount to be allocated as a bonus will be at the sole discretion of the Evaluation Panel<sup>3</sup> and the Executive Committee.
2. Should external factors play a major role in impacting negatively on an employee's ability to meet the required standards of performance, it is the responsibility of the employee to have raised this during the year or to negotiate altered Key Objectives in the performance plan scorecard.
3. In the event of an employees' services being terminated as a result of retrenchment, death or retirement including approved early retirement and ill health early retirement, they will be entitled to bonus scheme participation up to the last day of employment i.e. a pro-rata performance score will be calculated, with a corresponding pro-rata bonus payment. For other reasons of termination an employee ceases to participate in the bonus scheme and will have no claim on any pro-rata bonus scheme points, which may be in the process of accruing during the year under review.
4. In the event of resignations, an employee ceases to participate in the bonus scheme and will have no claim on any pro-rata bonus scheme points, which may be in the process of accruing during the year under review. Employees must be in the employment of the Municipality at the time that the final reviews are done, even if the resignation is effective after the end of the financial year.
5. Annual packages must be pro-rated in the event of interim increases awarded to Managers, promotions, transfers between regions and appointments during the financial year i.e. Level 3 employees promoted to a Level 2 position during the year will be eligible on both levels on a pro-rata basis.
6. Employees starting during the financial year will only be eligible on a pro-rata basis, from date of employment, for the bonus.
7. The Evaluation Panel and the Executive Committee will review the Performance Reward Scheme on an annual basis.

### **14. THE LINK TO REWARD – Permanent Employees**

Employees who have not signed fixed term contracts within the Greater Taung Local Municipality remain permanent employees of the Greater Taung Local Municipality and are subject to the conditions of service of the bargaining council. This means they receive an annual agreed increase negotiated through the South African Local Government Bargaining Council and performance based rewards are non-cash.

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<sup>3</sup> For purposes of evaluating the annual performance of the municipal manager and his/her direct reports, an evaluation panel will have to be constituted in terms of clause 27 (1) (d) and (e) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers 2006.

### 14.1. Types of Rewards

There are two types of non-cash rewards within the performance management system:

1. **Formal Rewards Linked to personal scorecards** – this reward is allocated to an individual and is determined by the score on the employee's scorecard. It is given out at the end of the formal review in July.
2. **Informal rewards** – very low cost and linked to motivational team building
3. **Formal rewards linked to personal scorecards- Employees**, who perform well and receive an above average rating during their performance review, are eligible to receive some form of non-cash reward. These non-cash rewards are given separately from the pay and benefits package.

Score Obtained on Performance Agreement	Suggested Non-cash Rewards (the Employee may be eligible for ONE of the options listed below)
85-100	<ol style="list-style-type: none"> <li>1. Employee is granted three “free” leave days i.e. the Employee is entitled to a long weekend. The Manager/Supervisor and Employee must agree on the dates for the long weekend. This leave must be taken within three months of it being awarded otherwise it will be forfeited.</li> <li>2. The Employee is able to attend a conference/seminar relevant to his/her work. The Manager/Supervisor and Employee must both agree that the conference/seminar is of an appropriate topic. The amount spent on sending the Employee to the conference (including any travel/accommodation requirements) may not exceed the rand value of three days leave i.e. the rand value of three days of the Employee’s total package.</li> <li>3. The Employee may select a work tool that will enhance his/her ability to perform better in his/her job. The Manager/Supervisor and Employee must both agree that the tool selected is appropriate for the work the Employee is required to do. The amount spent on the work tool may not exceed the rand value of three days leave i.e. the rand value of three days of the Employee’s total package. Should the Employee leave the employ of the Greater Taung Local Municipality the work tool will remain the property of the Greater Taung Local Municipality. There are fringe benefit tax consequences if Employees are “given” the work tool.</li> </ol>
70 – 84	<ul style="list-style-type: none"> <li>• Employee is granted one and a half “free” leave days i.e. the Employee is entitled to a long weekend. The Manager/Supervisor and Employee must agree on the dates for the long weekend. This leave must be taken within three months of it being awarded otherwise it will be forfeited.</li> <li>• The Employee is able to attend a conference/seminar relevant to his/her work. The Manager/Supervisor and Employee must both agree that the conference/seminar is of an appropriate topic. The amount spent on sending the Employee to the conference (including any travel/accommodation requirements) may not exceed the rand value of one and a half days leave i.e. the rand value of one and a half days of the Employee’s total package.</li> <li>• The Employee may select a work tool that will enhance his/her ability to perform better in his/her job. The Manager/Supervisor and Employee must both agree that the tool selected is appropriate for the work the Employee is required to do. The amount spent on the work tool may not exceed the rand value of three days leave i.e. the rand value of one and a half days leave of the Employee’s total package. Should the Employee leave the employ of the Greater Taung Local Municipality the work tool will remain the property of the Greater Taung Local Municipality There are fringe benefit tax consequences if Employees are “given” the work tool.</li> </ul>
50 – 60	<ul style="list-style-type: none"> <li>• Incentives for recognition of performance</li> </ul>
40 - 59	No reward

<b>Score Obtained on Performance Agreement</b>	<b>Suggested Non-cash Rewards (the Employee may be eligible for ONE of the options listed below)</b>
0 – 39	Compulsory performance counseling

4. Performance scores should be quality assured by the Evaluation Panel.

5. The awarding of rewards is not guaranteed to an Employee if he/she achieves a performance score of 70 or above. The awarding of an award is subject to the quality assurance of the Finance Department and the financial status of the Greater Taung Local Municipality

The process for applying any of the above non-cash reward schemes to ensure consistency, transparency, fairness and affordability is as follows:

1. After conducting the Performance Reviews for all his/her staff, the Manager/Supervisor prepares a summary report detailing the results of the reviews for his/her department and the potential link to reward.
2. The Departmental Manager assesses the results of all the performance reviews conducted in his/her department and considers the following:
  - Are the performance scores given by a certain Manager/Supervisor all high or all low? A Department Manager should determine the reason for a Manager/Supervisor scoring all his/her Employees either very high or very low. Are the objectives too easy / difficult or are the performance indicators too vague thus allowing for subjective measures?
  - If a Manager/Supervisor is scoring his/her Employees high then it should follow that he/she has achieved his/her objectives. It does not make sense for a Manager/Supervisor not to achieve his/her objectives when his/her Employees have all achieved theirs. This is an indication that something has gone wrong in the planning phase of the performance management process.
3. The Departmental Manager will submit his/her suggestions for non-cash rewards to the PMS Project Team.
4. The PMS Project Team will audit these results and prepare a summary for the Municipal Manager. This summary will show the percentage of Employees in each category i.e. what % of Employees fall into the 85 – 100 performance score category and so on. This summary will also be broken down to show the results for each department. The report will include any areas of concern that need to be brought to the Municipal Manager's attention, as well as the expected costs associated with awarding the non-cash rewards.
5. The Municipal Manager will obtain authorisation from the Executive Committee before approving the non-cash rewards.
6. The PMS Project Team will then communicate the results of the approved rewards to the Department Managers.

7. Each Employee who obtained the required performance score and whose reward has been authorised by the Municipal Manager should then be requested to meet with his/her Manager/Supervisor to receive feedback on his/her reward. If the Employee's non-cash reward has not been approved the Employee should be provided with the reasons. If the Employee receives a non-cash reward this should be discussed with him/her and ultimately given to him/her in writing. A copy must be kept on his/her staff file.

- **Informal Rewards**

Informal Rewards are spontaneous rewards and forms of recognition that can be implemented with minimal planning and effort, by any level of manager or colleague of employees. As part of the performance reward scheme managers must plan to make use of some of the informal rewards.

The following 'menu of options' are considered, (whilst by no means exhaustive):

**NO COST**

- Call an employee into your office just to thank them – don't discuss any other issue.
- Post a thank-you note on their desk or personal computer.
- Have a member from the senior management team call the employee to thank him/her for the job well done, or have him/her visit the employee at his/her place of work.
- Write them a personalised (handwritten) letter of thanks or a thank you card.
- Publish their achievements on the Notice Boards or Internal newsletters.

## **LOW COST**

- Arrange a meal out for employee and spouse.
- Sponsor a visit to the Health Spa or Beauty Parlour.
- Cover the person's desk with balloons/flowers.
- Give a magazine subscription.
- Movie tickets or tickets to local events.
- A cap
- A key ring/case
- A tie
- A calculator
- A wallet
- An umbrella
- A pair of sunglasses
- An engraved pen & pencil set
- A sports shirt / ladies blouse
- A clock or watch
- A Cellphone

## **15. ROLES AND RESPONSIBILITIES**

The Municipal Manager is the custodian of the performance management system on behalf of the Mayor. However, it is the responsibility of the Human Resources (HR) Division to communicate the system to all Employees, ensure that the system operates effectively and as such is required to exercise some form of quality control. Managers/Supervisors who require assistance in planning performance, coaching or in conducting performance reviews are encouraged to contact the Performance Management Specialist for guidance. The responsibility however, for ensuring that Employees' performance is managed rests with the Manager/Supervisor of the Employees and not with the Performance Management Specialist.

The Performance Management Specialist will liaise with the HR Division to organise the necessary training courses to equip Managers/Supervisors with the skills to use the Performance Management System effectively. The Human Resources Division will guide management in terms of the training budget available.

From time to time the HR Division will conduct follow-up and evaluation studies, including attitude surveys to assess the effectiveness of the system. Amendments to the system, to improve its effectiveness, will be made from time to time, as appropriate, by the HR Department and communicated to Employees.

It is suggested that each Department appoint a Performance Management Champion who will be responsible for assisting the Director in the smooth roll out and implementation of the system.

## **16. THE LINK TO TRAINING & DEVELOPMENT**

Every Employee is required to have a Personal Development Plans (ILP) that is prepared at the end of the formal performance review. These plans should form a key part of the skills development planning process. Personal Development Plans provide the opportunity for Managers/Supervisors and Employees to jointly identify training and development needs in order to improve job performance and to support individual development.

The Personal Development Plans, which must be completed annually, records the actions agreed to improve performance and to develop skills and competencies. It must be developed to improve the ability of the Employee in their current job but also to enable Employees to take on wider responsibilities and extend their capacity to undertake a broader role where appropriate. Where applicable it should also contribute to enhancing the potential of individuals to carry out higher-level jobs. This plan therefore contributes to the achievement of continuous development of Employees within the municipality. This Personal Development Plans should be used by the head of the department to develop a comprehensive Department level skills plan.

Managers are encouraged to use development activities other than training courses when preparing the learning plan. Such development activities may include:

- On-the-job training: This involves structured training in which the subject matter expert within the department/Department works with the Employee to build that Employee's skill level;
- Mentoring: This involves identifying a senior person within the department or organisation who will act as a teacher, role model, trusted advisor, challenger, encourager and counsellor;
- Self Study: This requires the Employee to conduct research in a particular area in order to develop knowledge in that area;
- Reading;
- Part time study;
- Involvement in a specific project or task force;
- Secondment to another section/department to deepen understanding of work flow;
- Delegation of an aspect of the Manager's/Supervisor's work to the Employee to stretch the Employee.

### **16.1. Personal Development Plans**

Personal Development Plans will systematise the Greater Taung Local Municipality's approach to training and development by ensuring that all Employees' training is carefully planned. The main benefits of Personal Development Plans are that they:

- Assist Managers/Supervisors and Employees to identify the competencies needed for their current position;

- Provide a structured framework for assessing the skill needs of individuals against organisational imperatives;
- Assist the training and development department to develop a consolidated workplace skills plan for the organisation and to determine training costs;
- Help Employees to plan and achieve their career goals;
- Increase Employee motivation and commitment to the organisation.

## **16.2. Guidelines for Employee Development**

Managers should keep the following issues in mind when discussing Employee development:

- Encourage Employees to take an active role. Discussions should be Employee-driven.
- Look at how to maximise the use of Employees' strengths and talents.
- Focus on development in current job.
- Use task forces and special projects as opportunities for development in particular areas.
- Attempt to understand Employee's motivation and interests.
- Be realistic regarding advancement opportunities.
- Create mentor relationships where appropriate.
- Consider lateral transfers for Employee development purposes.
- Tie training programs to individual development.
- Follow-up periodically throughout the year.

## **17. THE LINK TO EMPLOYMENT EQUITY**

Performance management can contribute to the achievement of the Greater Taung Local Municipality's Employment Equity strategy in a number of ways:

- By making Employment Equity a key objective for each Manager/Supervisor, the Greater Taung Local Municipality is ensuring that line and senior management take responsibility for meeting their employment equity objectives.
- The Personal Development Plans must reflect tasks relevant to assisting selected Employees in developing into senior positions thus contributing to enhancing the potential of individuals to carry out higher-level jobs.
- During the planning phase of the performance management cycle, objectives that are set for selected individuals should expose them to more and more challenging tasks so that, when they are promoted, they have already been exposed to higher level tasks.

## **18. THE APPEALS PROCEDURE**

Should Employees not agree with the contents of their performance agreement after the planning discussion or with the final scores that are allocated to them by their Manager/Supervisor after the review discussions, they may elect to follow the Greater Taung Local Municipality's grievance procedure.

## **19. MANAGING POOR PERFORMANCE**

Should an Employee not be achieving the objectives in his/her performance agreement the Manager/Supervisor should assist the Employee by managing his/her performance more closely. It is **not** appropriate that the first time an Employee hears about his/her non-performance is at the formal performance review. Employees **must** be coached and given feedback throughout the year.

## **20. TRAINING FOR MANAGERS/SUPERVISORS**

All Managers/Supervisors will be required to attend the training courses to ensure that they are equipped with the necessary skills to effectively manage performance within their directorates / departments.

## **21. CONCLUSION**

Inclusivity, participation and transparency will be the overriding principles applied in the implementation of this policy. It also envisaged that through this policy and attached tools the Municipality will start to appreciate the importance and role of Performance Management in the context of a developmental local government.

### **Templates**

- 1 – Performance Agreement**
- 2 – Performance Plan**
- 3 – Personal Development Plan**
- 4 – CCR's Guide**
- 5 – Half-yearly/ quarterly review form**
- 6 – Annual Appraisal form**
- 7 – Rating calculator**