



ANNEXURE

MOGALE CITY LOCAL MUNICIPALITY

# PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM POLICY

2025 -2026

## DOCUMENT MANAGEMENT

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## 1. EXECUTIVE STATEMENT

The Municipality is introducing and committing to a Performance Management and Development System which will be based on a systematic process of:

- a. planning work and setting expectations of the municipality from staff members or teams, continually monitoring performance of staff members or teams, developing the capacity of staff members;
- b. continually monitoring performance of staff members or teams;
- c. developing the capacity of staff members or teams to perform optimally;
- d. periodically rating performance of staff members and teams; and
- e. rewarding outstanding performance.

## 2. ACRONYMS AND MEANINGS

### 2.1 Acronyms

ACRONYM	MEANING
CSS	Corporate Support Services
IDP	Integrated Development Plan
PDP	Personal Development Plan
PMDS	Performance Management and Development System
KPA	Key Performance Area
KPI	Key Performance Indicator
MCLM	Mogale City Local Municipality
MM	Municipal Manager
MSA	Municipal Systems Act
MSR	Municipal Staff Regulations
SDBIP	Service Delivery and Budget Implementation Plan

### 2.2 Definitions

For the IPMS policy, the following definitions apply:

TERM	DEFINITIONS
Employee	Means any person other than an independent contractor who - (a) who works for another person or for the State and who receives, or is entitled to receive, any remuneration, and (b) in any manner assists in carrying on or conducting the business of an employer.
Employer	Refers to the Mogale City Local Municipality

TERM	DEFINITIONS
Heads of Departments/ Senior Managers	Executive Managers, Chief Financial Officer, Chief Audit Executive
Immediate Supervisor/ Supervisor	Include Senior Managers, Managers and Assistant Managers
Management	Management means the Municipal Manager, Executive Managers, Managers, Assistant Managers
Trade Union(s)	Means either IMATU and/ or SAMWU or A Trade Union with organizational rights in terms of the Labour Relations Act (Act 66 of 1995)

NB: The following words shall be used interchangeably in this policy:

1. MCLM and Municipality
2. Employee and Staff Member
3. Immediate Supervisor and Supervisor
4. Review and Assessment

### 3. INTRODUCTION

The Performance Management and Development System is used to ensure that all sections of the municipality work together to achieve the objectives and targets set out jointly by the municipality and the community. The municipality must set clear goals and specific targets for what needs to be done to ensure that the objectives are achieved. Each department and official needs to be clear about the municipality's goals and objectives and how their performance will contribute to achieving these overall objectives and targets. The performance management policy plays a critical role in ensuring that the IDP and SDBIP are implemented effectively

The PMDS policy provides guidance on continually monitoring performance of employees or teams, developing the capacity of employees to perform optimally, and periodically rating performance of staff members and teams, and rewarding outstanding performance.

The performance management and development system shall consist of different phases relating to performance planning; monitoring, coaching and feedback; review and evaluation; and reward and recognition.

#### 3.1 Rationale and Objectives of the PMDS Policy

The objectives of the Performance Management and Development System is to:

- (a) Promote the objectives and developmental duties of MCLM as set out in Sections 152 and 153 of the Constitution.
- (b) Promote a culture of service delivery to the public, accountability, mutual co-operation, and assistance amongst employees.
- (c) Institutionalise performance planning, monitoring, and evaluation within the Municipality.

- (d) Maximise the ability of the municipality as a whole to achieve its objectives and improve the quality of life of its residents by aligning municipal-wide, departmental and individual performance.
- (e) Build a common understanding among employees of the municipality's objectives as contained in its IDP and annual performance plan.
- (f) Set clear performance indicators and performance targets by communicating to employees how their roles contribute to the success of the municipality. Ensure that resources are used effectively.
- (g) Build individual capability, skills and competencies that are key to the municipality achieving its mandate and objectives and encourage commitment among employees.
- (h) Create an enabling environment to plan, monitor and measure performance against set targets or outputs. Promotes accountability and the implementation of the SDBIP and the achievement of set targets.
- (i) Encourage desired behaviours as articulated in the Code of Conduct for Municipal Staff Members, as contained in Schedule 2 to the Act.
- (j) Identify and improve substandard performance of staff.
- (k) Recognise performance of staff that have achieved a rating of performance significantly above expectations and outstanding performance.

### 3.2 Legislative Frameworks

At the local government level, performance management is institutionalized through legislative requirements for the performance management process, enabling municipalities to measure whether the goals set by the municipality are met

The applicable legislative framework includes, but not limited, to the following:

- i. The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- ii. The White Paper on Transforming Public Service Delivery (Batho-Pele) (1997).
- iii. The White Paper on Local Government (1998).
- iv. The Municipal Systems Act, 2000 (Act 32 of 2000) as Amended.
- v. Municipal Planning and Performance Management Regulations (2001).
- vi. Municipal Finance Management Act, 2003 (Act 56 of 2003)
- vii. Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal manager (2006).
- viii. Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers (2014).
- ix. Local Government: Municipal Staff Regulation 20, September 2021
- x. Labour Relations Act (Act No. 66 of 1995): Code of Good Practice
- xi. Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)
- xii. Employment Equity Act, 1998 (Act No. 55 of 1998)
- xiii. The Skills Development Amendment Act (Act 31 of 2003)
- xiv. Promotion of Access to Information Act (Act 2 of 2000)
- xv. The Local Government: Municipal Structures Act, No. 117 of 1998 as Amended.
- xvi. Public Administration Management Act, No. 11 of 2014

### 3.2.1 Links to other Documents, Policies, Strategies and/ or Operating Frameworks

The performance management and development system must, where reasonably practicable, link to:

- i. The municipality's strategic objectives, Integrated Development Plan and the SDBIP of the relevant municipal department; and
- ii. The Senior Manager's performance plan and the performance plans of the staff members within that Senior Manager's Department.
- iii. National Treasury: Framework for Managing Performance Information, 2007.
- iv. Public Audit Act: Directive: Performance Information. Notice 646 of 2007.
- v. Municipal Finance Management Act Circulars.

In addition to the above, the Performance Management and Development System shall be integrated with other human resource policies and practices contemplated in Section 67 of the MSA as well as any other organizational development initiatives of the Municipality.

## **4 SCOPE AND APPLICABILITY**

The Performance Management and Development System applies to all employee of MCLM excluding an employee:

- (a) appointed on a fixed term contract with a duration of less than 12 months.
- (b) serving notice:
  - a. of termination of his or her contract of employment; or
  - b. to retire on reaching the statutory retirement age.
- (c) appointed on an internship or learnership programme or participating in the National Public Works Programme or any similar scheme.
- (d) appointed in terms of sections 54A and 56 of the MSA.

## **5 KEY PRINCIPLES**

MCLM shall realize the objectives of creating a performance culture working environments for all employees, by interpreting and implementing the PMDS Policy in accordance with the following key principles:

- 5.1** The performance management system is designed to comply with legislative requirements, ensuring timely organizational and employee early warning reporting. Performance reports should be produced in a timely and accurate manner
- 5.2** MCLM shall apply the PMDS in a consultative, supportive, and non-discriminatory manner to enhance organizational efficiency, effectiveness, and accountability. Institutional structures, roles, and responsibilities shall be established
- 5.3** The PMDS must be underpinned by an open, fair, consistent, transparent, constructive, and on-going communication between the supervisor and the employee. All employees should have a clearly defined job description.

**5.4** The PMDS shall be developmental, while allowing for:

- (a) an effective response and relevant measures to manage substandard performance; and
- (b) recognition and reinforcement of fully effective performance, performance significantly above expectations and outstanding performance. Employees and line managers are clear about expectations and rewards.

## 6 ROLES AND RESPONSIBILITIES

The implementation of the PMDS Policy is the responsibility of the Human Capital Management Division in conjunction with Senior Managers, Managers and Assistant Managers.

<b>DIVISION/ DESIGNATION</b>	<b>RESPONSIBILITY</b>
Council	<ul style="list-style-type: none"> <li>a) Approve the PMDS Policy</li> <li>b) Must establish a Municipal Moderation Committee</li> </ul>
Municipal Manager	<ul style="list-style-type: none"> <li>a) Must establish Departmental Performance Moderation Committees</li> </ul>
MCLM Management	<ul style="list-style-type: none"> <li>a) Must ensure a consistent implementation of the PMDS Policy.</li> </ul>
Human Capital Management	<ul style="list-style-type: none"> <li>a) Monitor, evaluate and ensure the correct implementation of the PMDS Policy.</li> <li>b) Is responsible for overseeing and implementing all PMDS policy, procedure, processes, and practices, and ensure integration with legislative requirements.</li> <li>c) Ensure that the PMDS Policy complies with the Council resolutions and applicable legislation.</li> <li>d) Provide guidance on the management of the exceptions to this policy.</li> </ul>
Employees	<p>All employees:</p> <ul style="list-style-type: none"> <li>a) are responsible for complying/ adhering to the approved PMDS Policy.</li> <li>b) must be committed to serve the public and to a collective sense of responsibility for performance in terms of standards and targets.</li> <li>c) must participate in the overall performance management system of the municipality, as well as the employees' individual performance evaluation and reward system to maximise the ability of the municipality as a whole, to achieve its objectives.</li> </ul>
Municipal Moderating Committee	<ul style="list-style-type: none"> <li>a) Approve the recommended moderated performance scores submitted by the Departmental Performance Moderation Committees for all employees.</li> <li>b) Provide oversight over the employee performance management and development system to ensure the performance management process is valid, fair and objective.</li> <li>c) Moderate the overall performance assessment score for employee determined after the departmental moderation processes.</li> <li>d) Ensure that the final individual performance ratings are fair across each grade and department or directorate.</li> <li>e) Ensure that the final individual assessment outcome corresponds with the performance of the municipality and the relevant department aligned to the employee's job description or directorate before any recognition of performance is considered.</li> </ul>

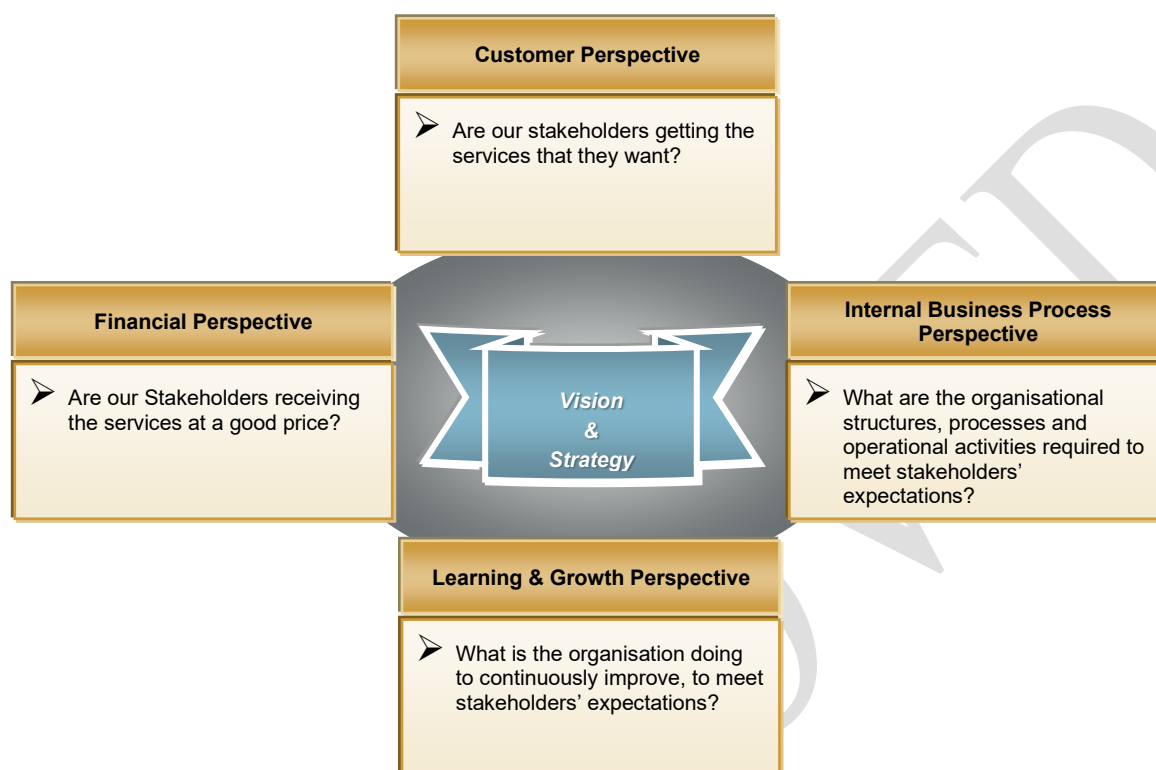


DIVISION/ DESIGNATION	RESPONSIBILITY
	<ul style="list-style-type: none"> <li>f) Determine the percentages for the merit-based rewards subject to affordability and the annual approved municipal budget in terms of section 16 of the Municipal Finance Management Act.</li> <li>g) Recommend appropriate recognitions for different levels of performance.</li> <li>h) Recommend appropriate remedial actions for performance believed to be substandard</li> <li>i) Advise the municipality on recognition of performance, including financial and non-financial rewards, where applicable.</li> <li>j) Identify potential challenges in the performance management system and recommend appropriate solutions to the MM.</li> <li>k) Identify developmental needs for supervisors to improve the integrity of the performance management and development system; and</li> <li>l) Consider any other matter that may be considered relevant.</li> </ul>
Departmental Performance Moderation Committees	<ul style="list-style-type: none"> <li>a) Conduct moderation of annual staff performance results to ensure that the norms and standards for performance management and development systems are applied in a fair, realistic and consistent manner across the Department.</li> <li>b) Assess and compare the performance and contribution of each employee with his or her peers towards the achievement of departmental goals.</li> <li>c) Ensure fairness, consistency and objectivity regarding dispersal of performance recognition and ratings achieved for a common understanding amongst supervisors of the performance standards required at each level of the performance rating scale.</li> <li>d) Determine the cost implications for recognition of performance of all staff members within the department.</li> <li>e) Recommend moderated performance scores for all employees to the Municipal Moderating Committee for approval.</li> <li>f) Ensure that performance rewards are based on affordability.</li> <li>g) Consider the impact of the performance assessments on financial rewards and options for various forms of recognition.</li> <li>h) Recommend performance rewards as well as remedial actions for performance considered to be below effective performance.</li> <li>i) Ensure that the integrity of the PMDS is protected.</li> </ul>

## 7 PERFORMANCE MANAGEMENT MODEL

A performance management model can be defined as the grouping together of performance indicators, sometimes based on the type of indicator, into logical categories or groups (often called perspectives), to enhance the ability of an organisation to manage and analyse its performance. As such a model provides a common framework for what aspects of performance is going to be measured and managed.

It further ensures that a balanced set of measures are employed that are not relying on only one facet of performance and therefore not presenting a holistic assessment of the performance of an organisation.



### 7.1.1 Customer perspective

The following are key questions for developing measures for the customer perspective:

- **Access:** Is it easy for your stakeholders to access your services and products.
- **Timelines:** Do your stakeholder save time because of the service and the manner in which it is provided?
- **Selection:** Are your service offerings meeting the expectation of your stakeholders?
- **Efficiency:** Can transaction involving stakeholders be completed easily and accurately at one place?

### 7.1.2 Internal business process perspective

The following are core processes for developing measures for this perspective:

- **Quality:** The focus here is on providing quality services and products as well as continuous improving on quality.
- **Innovation:** Business processes need to change continuously in order to respond to changes in its stakeholders, environment and employees.

- **Partnering:** Forming partnerships with other organisations and organisations that excel in certain business process.

### 7.1.3 Learning and growth perspective

The following are critical measurements areas for this perspective:

- **Human Capital:** It is important for organisations to determine the skills required and to determine skills gaps in order to provide appropriate interventions such as training. Municipalities have to develop comprehensive retention strategies to be able to recruit suitable skills as well as retain them.
- **Information Technology:** IT is critical organisational infrastructure that municipalities spend a lot of money on. It is important that investment in IT improves the ability of municipalities to serve and benefit stakeholders.
- **Organisational Climate:** It is important that organisations create conducive environment for them to meet their mission and objectives. Staff satisfaction is critical to improved organisational performance and meeting stakeholders' needs. Communicating with employees on organisational goals, their role and the organisation's expectations of them.

### 7.1.4 Financial perspective

Following factors must be considered when developing measures for the financial perspective:

- **Cost of Product or Service Delivery:** Determining the cost of delivering a product or service, will also improve on the delivery of the service in a more cost-effective manner.
- **Revenue Enhancement:** It should be the responsibility of all managers in municipalities to seek ways of improving revenue and diversifying on funding.
- **Financial Systems:** Sound financial systems to produce relevant, reliable and timely financial information are critical to decision-making and financial management.
- **Prudent Financial Management:** Managers and other employees managing budgets must ensure that money in budgets is only spent to achieve set objectives and the workforce is encouraged to be cost efficient and effective.

## 8 POLICY CONTENT

### 8.1 Performance Management and Development Phases

Phases	Timeframe	Activities
Planning	Occurs annually at the start of the financial year or the starting date in a specific post.	a. Supervisor schedules a meeting with an employee or team to discuss and agree on the performance objectives for the year; b. Supervisor and an employee or team are required to prepare for this meeting; and

Phases	Timeframe	Activities
		c. Performance agreement must be signed or processed electronically where applicable by the supervisor and an employee or team within sixty (60) days after the commencement of the performance cycle.
Monitoring, coaching and feedback	i. Occurs formally; and ii. Informally throughout the year	a. The supervisor will complete on-the-job monitoring of the performance of an employee or team; b. The supervisor may create formal and informal opportunities to provide feedback or coaching support to an employee or team in relation to progress made towards agreed performance objectives and on areas requiring implementation; and c. An employee or team may request feedback and support at any time during the performance cycle.
Review and Evaluation	i. Quarterly Reviews must occur at the end of first and third quarter. The details of the engagement must be in writing; and ii. Mid-year review must occur at the end of the second quarter. The details of the engagement must be in writing; and iii. Annual performance evaluation must occur at the end of the fourth quarter (after the end of performance cycle); and v. Annual performance must occur within 60 days after the end of performance cycle. The details of the performance evaluation must be in writing clearly outlining the	a. Must be recorded; b. The quarterly and mid-year performance review will be based on the existing performance agreement. c. The supervisor must set up a formal quarterly and mid-year evaluation with an employee or team within one (1) month after the end of quarter two (2), inclusive of formal documented engagement to provide feedback on targets achieved to date of an employee or team; d. At the quarterly and mid-year review, interventions and corrective actions must be identified in relation to achievement/underachievement of performance outputs/outcomes; e. During annual performance evaluation, each employee must be afforded an opportunity to complete self-rating and provide evidence to support ratings; f. The supervisor must set up the formal final performance evaluation with an employee or team after the end of the fourth quarter; g. The final performance evaluation scores must be recorded as a formal engagement between the employee and supervisor; and

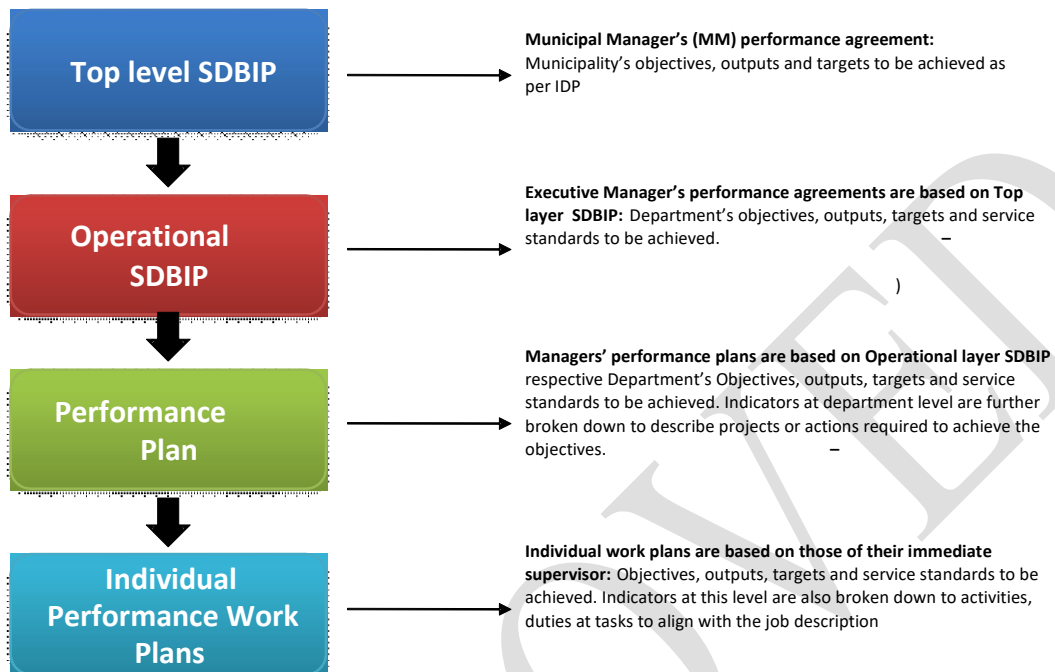
Phases	Timeframe	Activities
	employee's career development needs.	<ul style="list-style-type: none"> <li>h. The supervisor must formally provide verbal and written performance feedback to an employee or team.</li> <li>i. The amended performance agreement or addendum must be co-signed by the supervisor and employee/ team; and</li> <li>j. A record of the amendments must be kept for purposes of annual performance.</li> </ul>
Reward and Recognition	<ul style="list-style-type: none"> <li>i. After the formal annual performance assessment; and</li> <li>ii. After moderation by the Municipal Moderation Committee and approval by MM</li> </ul>	Refer to Clause 8 on Performance Rewards

## 8.2 Performance Management and Development System

- 8.2.1 The municipality, as represented by the relevant supervisor, and employee must, during the planning phase, agree on:
- (a) performance objectives and targets that the employee is expected to achieve during a performance cycle;
  - (b) specific performance standards, weightings for targets and performance indicators for measuring achievement of performance against set targets; and
  - (c) job specific competencies to be assessed in the performance cycle.
- 8.2.2 The supervisor and employee must ensure that performance management is aligned to the employee's job, and KPAs relevant to the post that the employee holds.
- 8.2.3 The KPAs must relate to the employee's functional area and must consist of not less than 5 and not more than 7 KPAs.
- 8.2.4 The KPIs:
- (a) include the input, quality, or impact of an output by which performance in respect of a KPA is measured; and
  - (b) must be measurable and verifiable.
- 8.2.5 The performance standard for each KPI may be qualitative or quantitative but must also satisfy the criteria set out in sub-regulation (5) of the MSR.
- 8.2.6 The KPA weighting demonstrates the relative weight of each KPA.

- 8.2.7 The job specific competencies, as derived from Annexure A, must include the name and definition of the specific competency, the expected level of capability, the relevant weightings, be specific and applicable to the job of the employee.
- 8.2.8 The employee's job specific competencies should not exceed six competencies within a performance cycle.
- 8.2.9 The supervisor must, during the performance cycle, monitor, coach and provide feedback to the employee.
- 8.2.10 The supervisor and employee must undertake a **formal mid-year performance review**. The review must be recorded as a formal engagement between the supervisor and employee.
- 8.2.11 The supervisor and employee must undertake an annual performance assessment for each performance cycle based on the performance agreement.
- 8.2.12 The criteria upon which the performance of the employee must be assessed consist of two components: KPAs and job specific competencies. The employee's performance must be assessed against both components. KPAs covering the main areas of the work will account for 80% of the weight while the job specific competencies will constitute 20% of the overall assessment result as per the weightings agreed in terms of the performance agreement.
- 8.2.13 The supervisor and employee must conclude the **annual performance assessment** process as a formal engagement co-signed by the supervisor and employee (job incumbent). The annual performance assessment must be recorded and signed by the supervisor and the employee (job incumbent).
- 8.2.14 The supervisor must ensure that any relevant personal development and career incidents are deliberated upon with the employee during the performance appraisal or assessment.

### 8.3 Performance Agreement/ Contracting



- 8.3.1 A supervisor and the employee must enter into a performance agreement for each performance cycle of the municipality.
- 8.3.2 The performance agreement of:
- (a) A serving employee/ Senior Manager/ MM must be concluded within 30 days of the commencement of the new financial year of the municipality; and
  - (b) An employee must be concluded within 60 days of—
    - (i) his or her appointment after probation as from 1 July of the new financial year;
    - (ii) his or her transfer or promotion to a new post; or
    - (iii) his or her return from prolonged leave that is more than three months.
- 8.3.3 If at any time during the performance cycle, the responsibilities of the employee change to the extent that the performance plan in the performance agreement is no longer appropriate, the parties must revise the performance agreement.
- 8.3.4 The performance agreement may not diminish the obligations and duties of an employee in terms of the employee's employment contract, or any applicable regulations or municipal policy.
- 8.3.5 The performance agreement must include a performance plan that contains:
- (a) the name, job title and the department of the employee;
  - (b) the objectives or targets;
  - (c) KPAs, their weightings and the target date for meeting the KPA;

- (d) the KPIs and the performance standard for each KPI;
- (e) the name and definition of the job specific competencies, their weightings and the expected level of capability for each competency;
- (f) a personal development plan prepared in compliance with regulation 51 of the MSR; and
- (g) the process of monitoring and assessing performance, including the planned dates of assessment.

#### **8.4 Team-based Performance Management and Development System**

- 8.4.1 The Municipality shall establish a team-based performance management and development system for a category of employees below the level of a supervisor that will assist the municipality in managing probation, rewards, and skills development of employee, which is consistent with the principles set out in chapter 4 of the MSR.
- 8.4.2 Before implementing the team-based performance management and development system, the municipality shall:
  - (a) pilot the system on a team of employee in all affected occupational streams; and
  - (b) consult the system with recognised Trade Unions within the Local Labour Forum.
- 8.4.3 Although teams will be contracted on exactly the same KPAs and KPIs, each individual team member will account for his/ her performance during assessment.

#### **8.5 Performance Monitoring and Review**

- 8.5.1 The monitoring process involves a Manager/ Supervisor consistently measuring performance on the job and providing ongoing feedback to employee and teams on progress towards reaching employee and team goals.
- 8.5.2 The monitoring of performance includes conducting progress assessment with employee and teams through one-on-one or team engagement sessions during which their performance is compared against predetermined performance standards.
- 8.5.3 The supervisor must offer coaching when required in order to reinforce effective performance or bring the performance of the employee closer to the expected standards.
- 8.5.4 The performance of the employee must be reviewed at mid-year to assess the employee or teams' progress towards meeting performance targets, to identify challenges and agree to solutions and to consider reviewing targets resulting from workplace changes beyond the staff member or team's control.
- 8.5.5 The municipality may review the performance of an employee at any other time and on an ongoing basis to offer coaching and feedback.



## 8.6 Performance Evaluation

The annual performance evaluation must involve:

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

8.6.1 The five-point rating scale as set out in the table below shall for purposes of implementation of the PMDS policy, apply to all employees.

Level	Terminology	Description
5	<b>Outstanding performance</b>	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the staff member has achieved above fully effective results against all performance criteria and indicators as specified in the Performance Agreement and Performance Plan <u>and maintained this in all areas of responsibility throughout the year.</u>
4	<b>Performance significantly above expectations</b>	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	<b>Fully effective performance</b>	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 Agreement and Performance Plan.
2	<b>Performance not fully effective</b>	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 Agreement and Performance Plan.

Level	Terminology	Description
1	<b>Unacceptable performance</b>	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 Agreement 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.

- 8.6.2 An overall rating must be calculated by using **the assessment rating calculator**. Such an overall rating represents the outcome of the performance appraisal.
- 8.6.3 The annual performance evaluation must determine a performance rating for the performance cycle.
- 8.6.4 The employee assessed, or the person designated in terms of sub-regulation (7) (Regulation 38 of the MSR) must provide the supervisor with a portfolio of evidence relating to his or her KPAs for the entire performance cycle.
- 8.6.5 The maintenance and provision of the portfolio of evidence to support the decision on the final score to each KPA and competency, is the responsibility of the employee.
- 8.6.6 For evaluation of Teams, the Supervisor shall maintain the Portfolio of Evidence for the Team (those employee).
- 8.6.7 The evaluation of the performance of the employee must be conducted by that member's immediate supervisor or his or her delegate.
- 8.6.8 The employee's supervisor must keep a record of all assessment meetings.
- 8.6.9 Personal growth and career development needs identified during any performance review or assessment, together with the actions and timeframes agreed to, must be recorded in the employee's PDP.
- 8.6.10 Once the annual performance evaluation has been concluded, the performance assessment reports and outcomes must be subjected to departmental moderation processes contemplated in regulation 39 of the MSR.

## 8.7 Performance Evidence

- 8.7.1 The submission of evidence is subject to the following:
- 8.7.1.1 During the planning phase, agreement must be reached on what evidence is to be used with the aim of minimizing time and effort; and
  - 8.7.1.2 Evidence must be gathered during the course of the performance cycle as this will inform and substantiate the scores according to the rating scale.

- 8.7.2 The employee or team must gather, collate and present evidence against the measurable KPIs and, where applicable, job specific competencies as contained in the performance agreement:
- 8.7.2.1 It is particularly important to ensure that evidence is gathered during the performance cycle in preparation for the mid-year performance review and annual performance evaluation, as it will be used to substantiate scores related to achievement of KPIs and job specific competencies; and
  - 8.7.2.2 The ultimate accountability for the submission of the portfolio of evidence that should be provided. This may, inter alia, include:
    - 8.7.2.2.1 Official records;
    - 8.7.2.2.2 Confirmation by a supervisor;
    - 8.7.2.2.3 Confirmation by other stakeholders such as letter from a government department; and
    - 8.7.2.2.4 Inspection or viewing of evidence by supervisor such as filing system, memorandums, reports, etc.
- 8.7.3 A supervisor may, at the latest by mid-year review:
- 8.7.3.1 Accept other evidence that substantiate achievement of KPIs or competencies and
  - 8.7.3.2 Assist the employee or team to obtain such evidence.

## **8.8 Performance Moderation**

### **8.8.1 Departmental Performance Moderation Committees**

- 8.8.1.1 The MM must establish Departmental Performance Moderation Committees, which must be convened annually.
- 8.8.1.2 Performance moderation processes must take place within a reasonable timeframe after the end of the performance cycle, but not later than six months after the end of the financial year.
- 8.8.1.3 The departmental performance moderation committees shall be constituted as follows:
- (a) The relevant heads of departments, who must act as chairpersons in the committees;
  - (b) all managers directly accountable to the heads of departments, who must be recused from the committee before their assessments are considered by the committee; and
  - (c) a Senior Human Resource functionary who will advise, guide and provide support, including arrangements for secretariat services.
- 8.8.1.4 If the Departmental Moderation Committee has reason to believe that any performance assessment by the supervisor does not conform to performance norms and standards or that there is lack evidence or information to support the performance ratings, the Departmental Moderation Committee may not reassess, amend or adjust the performance ratings of an employee, but may refer the assessment back to the relevant supervisor for reassessment in consultation with the affected employee.

8.8.1.5 Upon conclusion of the reassessment, the Departmental Moderation Committee may reconvene to moderate the assessment of the employee concerned.

8.8.1.6 If the supervisor fails to reassess the employee within the stipulated timeframe despite the request to do so by the relevant authority or the Departmental Moderation Committee still has reason to believe that the performance ratings are not substantiated, the Moderation Committee may request the higher-level supervisor to reassess the relevant employee.

8.8.1.7 The affected employee must be consulted and be offered an opportunity to respond.

## 8.8.2 Municipal Moderation Committee

8.8.2.1 The Municipal Moderation Committee is established by the Municipal Council and must be convened annually.

8.8.3 The Municipal Moderation Committee shall be constituted as follows:

- (a) The Municipal Manager, who must act as the chairperson of the committee;
- (b) All Heads of Departments;
- (c) Head of municipal planning and organisational performance;
- (d) Head of the Municipal Internal Audit;
- (e) A Senior Human Resource functionary to guide, advise and provide support, including arrangements for secretariat services; and
- (f) A Performance Specialist, where applicable.

## 9. Performance rewards and Recognition

9.1 A performance related reward and recognition:

- (a) is at the discretion of the municipality; and
- (b) may be awarded to an employee:
  - (i) who has served the full assessment period of 12 months on 30 June of each financial year of a municipality when determining the eligibility for performance.
  - (ii) transferred or seconded horizontally during the performance cycle within the municipality.
  - (iii) who is on uninterrupted approved leave for 3 months or longer.
  - (iv) who is on approved maternity leave for more than 3 months; and
  - (v) who received a performance rating of performance significantly above expectations or outstanding performance during a performance cycle after moderation of performance results.
- (c) may not be awarded to an employee:
  - (i) appointed after 1 July of that performance cycle.
  - (ii) who is serving probation as stipulated in regulation 23 of the MSR.

- (iii) whose performance period is less than 12 months;
- (iv) whose employment is for a fixed term duration of less than 12 months; or
- (vi) whose post was upgraded without a change in performance agreement.

9.2 A municipality may not spend more than 1.5% of its annual salary and wage bill for staff performance rewards.

### 9.3 Performance Recognition

9.3.1 **Informal awards:** These are spontaneous and can be implemented with minimal planning and effort, e.g., calling an employee in a staff meeting and thanking him/her for outstanding performance, writing a thank-you letter or note on the employee's desk, publishing the employee's achievements on the notice board or internal newsletter, or requesting the MM or Executive Mayor to call the employee and thank him/her.

9.3.2 **Achievement awards:** These are tailored to reward specific achievements or behaviors desired most in the municipality, e.g., long service awards, most improved employee, or manager of the month.

9.3.3 **Formal awards:** These recognize the best performer in the financial year, declaring one employee as the employee of the year. Awards may include a gift, certificate of excellence, or trophy

9.3.4 The Municipality shall recognize an employee's achievement by rewarding up to seven (7) days leave as follows:

9.3.4.1 These leave days may be taken when it is convenient for both the employee and the employer.

**9.3.4.2 The leave days will expire within 24 months of the award, and under no circumstances that they may be encashed.**

9.3.4.3 An employee may be eligible for one of the options reflected in the table below:

Performance Rating	Performance Scores	Leave Days
(1) 0.00 – 1.99	69% and lower	Compulsory Performance Counselling
(2) 2.00 – 2.99	70% - 99%	No Reward (Intervention Required)
(3) 3.00 – 3.99	100% - 129%	No Reward
(4) 4.00 – 4.99	130% - 166%	5 Leave Days
(5) 5.00	167%	7 Leave Days

## 10 Disputes about Performance Agreements and Assessment

10.1 Any dispute about performance objectives or targets must be mediated by the relevant Head of Department or Directorate (Department) of the employee to whom this function is delegated. If the dispute is not resolved to the employee's satisfaction, the employee may lodge a grievance in terms of the applicable procedures.

- 10.2 Any dispute relating to the conclusion of the performance agreement or an amendment to the performance agreement, must be referred to the head of the relevant department or directorate not later than five days of lodging the grievance in terms of the applicable procedures.
- 10.3 A dispute contemplated in sub-regulation (9.2) must be resolved within one month of receipt of the dispute by the Head of the Department, after—
- (a) considering the representation from the employee concerned and his or her supervisor; and
  - (b) consultation with the Head of Human Resources.
- 10.4 An employee who is not satisfied with the outcome of the procedure in sub-regulation (9.3), may lodge a dispute in terms of the dispute resolution mechanisms of the bargaining council.

## **11 Managing Substandard Performance**

- 11.1 An employee who receives a performance rating below 3 in terms of the Five-Point Rating table in regulation 38(2) must:
- a) be assisted in developing his or her competencies through training, and supervision; and
  - b) develop a revised personal development plan with his or her supervisor.
- 11.2 The personal development plan must contain at least—
- a) a description of the behaviour and skills that require improvement;
  - b) a description of the actions that will be undertaken to improve the identified behaviour and skills that require improvement;
  - c) the deadlines for improvement;
  - d) a schedule of meeting to assess improvements and provide feedback; and
  - e) details of the potential consequences in the event that there is no improvement in performance.
- 11.3 The meetings to assess improvements and to provide a feedback must be recorded in writing.
- 11.4 The personal development plan to manage performance improvement must cover a maximum period of six months, at the end of which, a formal evaluation of performance must take place.
- 11.5 The following alternatives must be considered in respect of a staff member whose performance has not improved to at least a performance that is fully effective:
- (a) Continuation of the actions referred to in the personal development plan;
  - (b) alternative actions to improve performance;
  - (c) offering the staff member an alternative job within the municipality that is better suited to the staff member's behaviour and skills; or
  - (d) dismissal owing to incapacity in terms of the provisions of the Labour Relations Act.

- 11.6 Poor work performance must be dealt with in accordance with item 9 of Schedule 8 to the Labour Relations Act.

## **12 Performance management of staff members who are acting in posts**

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

## **13 PMDS Champions**

The Office Administrators (reporting to Senior Managers) supported by Administrative Support Clerks (reporting to Managers) of all Departments shall be used as PMDS Champions. In cases where the department does not have an Office Administrator, the Executive Secretary shall be the PMDS Champion.

## **14 Annexures to use with the Performance Management Plan for the implementation of the PMDS Policy**

- 14.1 Annexure : Performance Rating Calculator
- 14.2 Annexure B: Personal Development Plan
- 14.3 Annexure C: Coaching and Mentoring Plan

## **15 GOVERNANCE STRUCTURES**

On the Governance Structures of the PMDS Policy, reference should be made to Clause 7.7 above.

## **16 IMPLEMENTATION OF THE PMDS POLICY**

- 16.1 The execution of the PMDS Policy shall be based on sound corporate governance principles.
- 16.2 The implementation of PMDS Policy shall be affected a day after approval by Council and signed by the MM

## **17 FINANCIAL IMPLICATIONS**

- 17.1 The Municipality shall ensure that adequate financial and other relevant resources are made available to ensure the support and realisation of the PMDS Policy, subject to affordability and financial sustainability.
- 17.2 A municipality may not spend more than 1.5% of its annual salary and wage bill for staff performance rewards.
- 17.3 Payment of financial rewards will depend on the financial affordability of the Municipality.

## **18 MONITORING AND EVALUATION OF THE POLICY**

- 18.1 CSS Department shall monitor and evaluate the implementation and compliance of the PMDS Policy.

18.2 No deviation to the PMDS Policy and procedure requirements is permitted. Any possible breaches of the PMDS Policy would be monitored by the CSS Department.

## **19 POLICY REVIEW**

The PMDS Policy shall be reviewed as and when required.

## **20 COMMUNICATION**

The PMDS Policy shall be communicated to all Municipal employees using the full range of communication methods available to the Municipality.

## **21 COMPLIANCE**

Any contravention to the PMDS policy shall be constituted as misconduct.

## **22 PRECEDING POLICIES RESCINDED**

The previous policies in respect of this subject are RESCINDED and REPLACED with the new PMDS policy upon approval.

## **23 APPROVAL**

Municipal Manager:	
Signature:	
Date Approved:	
Effective Date:	