



## MOQHAKA LOCAL MUNICIPALITY

### EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM [EPMS] POLICY

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#### Preparation and Consultation:

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| Consultation       | Date                     |
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#### Document Approval:

| Position                                 | Name              | Signature       | Approval Date |
|--|-------------------|-----------------|---------------|
| Executive Mayor                          | CIlr Jihad Mohapi |                 | 17/10/2011    |
| Municipal Manager                        | Mr. S.M Mqwathi   |                 | 2011-06-23    |
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| 23: Performance Management System Policy |                   | 28 April 2011   |               |

<sup>1</sup> Though it was part of the policies to be consulted on LLF on that day, LLF could not exhaust its agenda but both IMATU & SAMVU were sent copies of this policy for comment far much in advance (before the Council & convening of LLF) and no comments were received and we were overtaken by events – the term of Council was about to end hence it was taken to Council along with Institutional Performance Management Framework for approval.



"People's power in action"

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## GLOSSARY OF TERMS

- (a) In this policy words importing the **masculine gender** shall include the **feminine**, and *vice versa*.
- (b) **Alignment**: refers to the state of being arranged in line with something or parallel to something.
- (c) **Annual performance rating**: the annual performance rating is part of an employee's assessment that takes place at the end of the performance cycle. The result of this rating is the overall annual performance score for the employee during the entire performance cycle.
- (d) **Capacity**: is the ability of individuals and organisations to perform functions effectively, efficiently and in a sustainable manner.
- (e) **Capability**: refers to the ability or skill that makes an individual or organisation able to do something, especially something difficult.
- (f) **Performance assessment**: The measurement, assessment, rating or appraisal of employee performance. The formal annual process is usually referred to as performance appraisal or assessment, while more informal processes are referred to as performance review.
- (g) **Performance cycle**: A twelve-month period for which performance is planned, managed and assessed. It must be aligned to the same period as the Municipality's annual strategic plan, namely, 1<sup>st</sup> July to 31<sup>st</sup> June the following year.
- (h) **Performance incentive**: A set of (a) financial rewards linked to the results of performance appraisal, including pay progression, performance bonus, and (b) a variety of non-financial rewards that may be contained in the departmental performance incentive scheme.
- (i) **Performance management**: A purposeful, continuous process aimed at managing and developing employee behaviour for the achievement of the organisation's strategic goals; the determination of the correct activities as well as the evaluation and recognition of the execution of tasks / duties with the aim of enhancing their efficiency and effectiveness; and a means of improving results from the Municipality, teams and individuals by managing performance within an agreed framework of planned goals, objectives, standards and incentives.



## 1. INTRODUCTION

"A Staff member of a Municipality ... must ... participate in the overall performance management system for the municipality, as well as the staff member's individual performance appraisal and reward system, if such exists, in order to maximise the ability of the municipality as a whole to achieve its objectives and improve the quality of life of its residents". Municipal Systems Act: Schedule 2 CODE OF CONDUCT FOR MUNICIPAL STAFF MEMBERS.

- 1.1 Moghaka Municipality is committed to consistent and effective service delivery through performing employees. Normally what is measured and monitored gets done. Employee Performance Management System (EPMS) is a process and tool to manage the performance and development of employees to attain organisational goals.
- 1.2 Further, the Municipality acknowledges the need to recognize and appreciate good performing employees and have capacity to deal with poor performance. Consequently, an effective EPMS must reward appropriately outstanding performance, on the one hand, ensuring that employees are motivated to excel in their work while on the other hand provide solution to unacceptable performance.
- 1.3 Moreover, in order to have a direct and lasting positive impact to service delivery EPMS must be applicable to all employees of the Municipality. Regardless of its implementation approach; whether it is a step-by-step phased-in approach, for example, starting with managers and professionals then supervisors and the rest of the workforce; or a once-off comprehensive approach, EPMS will truly impact service delivery on a sustainable basis if it is organisational-wide in its scope.
- 1.4 Lastly, EPMS must be aligned to the municipality's strategic objectives and in our environment, alignment with the IDP, Institutional Performance Management System (PMS), Service Delivery and Budget Implementation Plan (SDBIP) is of paramount importance [See diagram on Annexure A].



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## **2. PURPOSE AND OBJECTIVES**

- 2.1 The purpose of this policy is to enhance the performance of all employees to achieve individual and team excellence within the Municipality thereby give effect to the Municipal Systems Act, including its Code of Conduct, and related Municipal Performance Regulations.
- 2.2 The aim is to provide guidelines and standards, on which the performance of the municipality's employees can be monitored, measured, improved and/or maintained in order to enhance efficiency, effectiveness and improve service delivery.
- 2.3 The objectives of the policy therefore are to:
  - 2.3.1 Provide for an integrated system for the management of the performance of the municipality's employees, in order to achieve the Municipality's vision, mission and strategic objectives. The intention is to establish a system that compliments and supports other institution-wide systems and processes such as human resource planning and financial management;
  - 2.3.2 Provide for standards and procedures according to which employees' performance shall be managed, that is, performance planning, performance monitoring, performance assessments, recognition and rewarding of exceptional performance as well as managing poor performance; and
  - 2.3.3 Outline key roles and responsibilities of various stakeholders involved in the processes for managing performance.

## **3. SOURCES OF AUTHORITY AND GUIDELINES**

- 3.1 Local Government: Municipal Systems Act, 2000
- 3.2 Local Government: Planning and Performance Management Regulations, 2001
- 3.3 Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Manager, 2006.



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- 3.4 Department of Public Service and Administration: Employee Performance Management and Development System (EPMDS), 2007.
  - 3.5 Department of Cooperative Governance: Monitoring and Evaluation Framework in Support of Cooperative Governance, 2010.
  - 3.6 National Treasury: MFMA Circular No.13 "Service Delivery and Budget Implementation Plan", 2005.
  - 3.7 SALGA's Incapacity: Due to Poor Work Performance Policy
  - 3.8 Labour Relations Act, 1995 as amended – Schedule 8
  - 3.9 Moqhaka HR Policies.

#### **4. SCOPE OF APPLICATION**

4.1 EPMS is a policy framework for performance management that applies to all employees of the Municipality. More specifically, this policy shall be applicable to the following categories of employees:

- 4.1.1 Employees referred to in the Municipal Systems Act as Section 57 Employees, namely, the Municipal Manager and the managers reporting directly to the Municipal Manager;
- 4.1.2 Employees who are permanent employees of the Municipality and fall within the ambit of the Local Government Collective Bargaining Council; and
- 4.1.3 Employees who are employed by the Municipality on fixed term contracts and fall outside of the Local Government Collective Bargaining Council.

#### **5. PRINCIPLES**

5.1 The municipality shall manage performance in a consultative, supportive and non-discriminatory manner in order to enhance organizational efficiency, effectiveness, and accountability for the use of resources and achievement of results. Performance management should therefore centre on open and ongoing communication about performance, between the supervisor and the employee.



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- 5.2 Performance management processes shall link to broad and consistent staff development plans and align with the Municipality's strategic goals and Integrated Development Plan;
- 5.3 Performance management processes shall be developmental, and shall allow for recognising fully effective performance, and for an effective response to performance that is not satisfactory or poor;
- 5.4 Performance management procedures should minimise the administrative burden on supervisors while maintaining transparency and administrative justice and to this extent the Municipality shall introduce such measures that allow for this to be achieved; and
- 5.5 Employees are not entitled to performance rewards or recognition. These shall only be given for significant outstanding and consistent performance that advances the Municipality's goals, and shall be tied to specific accomplishment(s) – that is there should be a correlation between the candidate's performance assessment and motivation for recognition or any reward.

## 6. POLICY GUIDELINES

### 6.1 General Provisions

- 6.1.1 The Municipality is entitled to **fully effective** work performance from all its employees.
- 6.1.2 The performance cycle for the Municipality shall commence on the 1<sup>st</sup> July of the calendar year and shall end on 30<sup>th</sup> June of the following calendar year.
- 6.1.3 It is every official's or employee's responsibility to ensure that performance management takes place accordingly and it is the Municipality's responsibility to ensure that employees have the basic resources to carry out their work.



6.1.4 The municipality has chosen the Balanced Scored Card as the system that will be applied in managing institutional as well as individual performance.

6.1.5 All employees who have a supervisory responsibility shall be required to include a Key Performance Area (KPA) on human resources and financial management. The detail for this KPA shall be determined by the Municipal Manager in consultation with the Senior Management Team.

## **6.2 Performance Planning**

6.2.1 For purposes of this policy, employees who are appointed in terms of Section 57, as well as those who are on fixed term contracts shall sign performance agreements while the remaining permanent employees shall complete and sign performance plans.

6.2.2 All employees, whether appointed in terms of Section 57 of the Act, on fixed term contracts or permanent, shall be required to enter into and sign performance agreements / plans, at least one month prior to the commencement of the performance cycle, or within one month after the date of assumption of duty for newly appointed employees.

6.2.3 These performance agreements / performance plans shall be applicable for the relevant performance cycle unless otherwise stipulated.

6.2.4 The performance agreement or plan shall be primarily linked to the specific position that the relevant employee holds within the Municipality and as such should be aligned to the relevant job profile / job description. Furthermore, the agreement should be aligned to the IDP and/or departmental plans or sector plans where applicable.





6.2.5 All performance agreements / performance plans shall be in the prescribed format of the Municipality, otherwise they shall be deemed to be invalid.

6.2.6 A new or amended performance agreement / performance plan may be signed under the following circumstances:

- a) If the role of the employee changes during the performance cycle;
- b) If the employee has been acting in a higher position for a period of more than six weeks;
- c) If the work environment of the Municipality alters (whether as a result of Government or Management decisions or otherwise e.g. restructuring, devolution of functions), to the extent that the contents of the agreement are no longer appropriate;
- d) If the employee has not been in the role for three months or more for any reason, as for example, maternity, ill health, study, secondment, or travel; unless this absence was built into the original agreement; and
- e) If this is a recommended plan of action to manage unsatisfactory performance.

6.2.7 All amendments to a signed performance agreement / performance plan should be supported by a written motivation, which must be signed and dated by the relevant employee and her supervisor.

6.2.8 The performance committee or audit committee shall review all the performance agreements for employees who are appointed in terms of Section 57 of the Municipal Systems Act and shall make recommendations for amendments wherever these may be deemed necessary.

### **6.3 Performance Monitoring and Assessments**

6.3.1 The performance of all employees should be monitored and assessed irrespective of the time period that the relevant employee has been engaged by the Municipality.



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- 6.3.2 All formal performance assessments and reviews shall be based on the respective employee's performance agreement / performance plan. All employees shall undergo a minimum of 4 formal assessments (2 quarterly assessments, 1 mid-year review and one annual performance assessment) in line with the performance cycle.
- 6.3.3 All performance assessments shall be conducted in line with the prescribed tools of the Municipality.
- 6.3.4 All employees must complete their self assessments prior to undergoing formal assessments by their supervisors; failure to do so may result in disciplinary charges being brought against the relevant official / employee.
- 6.3.5 Where employees change jobs (within the Municipality, or where the employee leaves the Municipality) during the performance cycle, performance reviews related to the employee vacating the post have to be completed prior to the employee's movement to the new position or new institution.
- 6.3.6 If the employee changing jobs is a supervisor or manager, performance reviews for each employee under his control should be completed prior to his movement.
- 6.3.7 It is the responsibility of the employee to timeously alert his supervisor / manager of any emerging factors that could preclude the achievement of any performance undertakings, including the contingency measures that he proposes to take to ensure the impact of such deviation from the original agreement is minimised.
- 6.3.8 It is also the responsibility of the employee to collect and submit evidence to support performance achievements.
- 6.3.9 The rating of performance shall be done in line with the prescribed rating scale.
- 6.3.10 It is the responsibility of the supervisor / manager to inform the employee in writing of the outcome of the assessment and if the employee's performance is unsatisfactory, of the reasons for that assessment.



6.3.11 All the annual performance assessment reports shall be moderated by the performance or audit committee of the municipality.

#### **6.4 Managing Unsatisfactory or Poor Performance**

6.4.1 Should a supervisor, as a result of the assessment / review process, or at any time during the performance cycle, be of the opinion that an employee's performance is markedly below what is required; the supervisor must complete a full and formal assessment. In this regard the municipality shall be obliged to **provide performance counselling support**.

6.4.2 Performance Development and Improvement plans shall be developed after every quarterly performance assessment or as and when it is determined that the employee's performance is markedly below what is required.

6.4.3 Evidence given in mitigation of poor or unsatisfactory performance shall only be accepted if the following criteria are met:

- a) If the employee has duly informed his supervisor / manager in a timely manner and in writing;
- b) If the relevant factors or circumstances are such that they are out of the control of either the supervisor / manager or employee; and
- c) If the supervisor / manager and employee demonstrate that the relevant factors or circumstances could not be overcome within the relevant performance cycle.

6.4.4 Evidence given in mitigation of poor or unsatisfactory performance shall also be accepted if proposed solutions to the challenges may not result in the Municipality being in conflict with its own policies and procedures or key legislation.

6.4.5 If the performance of the employee is deemed to be so unsatisfactory as to be poor and the desired improvement cannot be effected, the Municipality shall consider steps



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to discharge the employee for unfitness or incapacity to carry out her or his duties (in line with the relevant policy or legislation).

6.4.6 Supervisors / Managers are expected to submit quarterly reports on performance development and improvement interventions that have been implemented to deal with unsatisfactory or poor performance wherever these are applicable.

## 6.5 Rewards and Recognition

6.5.1 Performance rewards shall be given to employees in line with the approved reward or incentive framework for the Municipality (see **Appendix B and C**).

6.5.2 Criteria to qualify for a performance reward:

- a) In order to qualify for any performance reward, an employee must have completed a continuous period of at least twelve months on his salary level at the end of a performance cycle.
- b) It should also be noted that the 12 months may be inclusive of the relevant period that an employee is under precautionary suspension, as long as this period does not exceed 3 months.

6.5.3 Furthermore, employees who are on prolonged leave (three months or longer) or are on precautionary suspension may not qualify for a cash bonus, unless a motivation is provided for awarding such an employee.

6.5.4 Employees who have been suspended due to disciplinary reasons may not qualify for any performance reward.

6.5.5 The Municipal Manager, with the approval of the Municipal Council, may determine other, non-financial rewards, which may be given to employees in recognition of performance.



6.5.6 The Mayoral Committee shall make the final decision with regards to rewards on the recommendations of the Municipal Manager and/or the Performance Evaluation Panels and in due consideration of budgetary implications.

6.5.7 Furthermore, performance bonuses and Merit Notch payments will only be made after independent verification of evidence and scorecards by internal audit and the performance audit committee.

#### **6.6 Non Compliance to this Policy**

6.6.1 Non-compliance to this policy, and provisions contained herein, shall be dealt with through the prescribed disciplinary processes of the Municipality.

6.6.2 In addition, employees may forfeit their performance rewards if they do not comply with the provisions contained in this policy.



## 7. PROCEDURE

### 7.1 Section 57 Employees and Fixed Term Contract Employees

| Activity   | Task   | Responsibility  | When This Must Take Place  | Relevant tools, templates and inputs  |
|--|--|---|--|---|
| Performance planning   | Development of a draft performance agreement   | Employee and Supervisor (Mayor or Municipal Manager) <sup>2</sup> | June   | <ul style="list-style-type: none"> <li>Integrated Development Plan/ Service Delivery Plan</li> <li>Performance management results from previous cycle or period</li> <li>EPMS policy implementation guidelines</li> </ul> |
|  | Signing the performance agreement              | Employee and Supervisor (Mayor or Municipal Manager)              | June   | <ul style="list-style-type: none"> <li>The draft PA</li> <li>EPMS policy implementation guidelines</li> </ul>   |
|  | Quality assurance                              | PM Unit   | June   | <ul style="list-style-type: none"> <li>Copy of signed PA</li> <li>EPMS policy implementation guidelines</li> </ul>  |
|  | Review of signed performance agreement         | Performance Audit Committee                                       | July   | <ul style="list-style-type: none"> <li>EPMS policy implementation guidelines</li> </ul>   |
|  | Amending draft or signed performance agreement | Employee and Supervisor (Mayor or Municipal Manager)              | At any time during the performance cycle as long as this is in line with policy provisions | <ul style="list-style-type: none"> <li>Prescribed template for signing the PA</li> <li>Relevant motivation/ reasons behind such amendments</li> </ul>   |
| Performance agreement implementation, monitoring and support | Implementation of the performance agreement    | Employee  | Throughout the performance cycle   | <ul style="list-style-type: none"> <li>Signed performance agreement</li> <li>Any other tools as may be necessary for the implementation of the agreement</li> </ul>   |

<sup>2</sup> The employee may develop a first draft which can be discussed with the Supervisor prior to sign off



| Activity                 | Task  | Responsibility   | When This Must Take Place  | Relevant tools, templates and inputs   |
|--------------------------|---|--|--|--|
|                          | Monitoring of performance   | Supervisor   | Monthly  | <ul style="list-style-type: none"> <li>Signed performance agreement</li> <li>EPMS policy implementation guidelines</li> </ul>                          |
|                          | Provision of support and/or coaching  | Supervisor   | Throughout the performance cycle   | <ul style="list-style-type: none"> <li>Performance agreement</li> <li>EPMS policy implementation guidelines</li> </ul>                                 |
|                          | Collecting evidence to support performance                                    | Employee   | Throughout the performance cycle   | <ul style="list-style-type: none"> <li>Performance agreement</li> <li>EPMS policy implementation guidelines</li> </ul>                                 |
| Reporting on performance | Submission of progress reports on implementation of the performance agreement | Employee   | As and when this may be appropriate or as agreed to (Minimum requirements are only related to the formal reporting sessions i.e. 4 times during the cycle) | <ul style="list-style-type: none"> <li>Performance agreement</li> <li>Evidence of achievement</li> <li>Means of verification (if available)</li> </ul> |
|                          | Scheduling of formal performance reporting sessions                           | Supervisor primarily (even though these must be agreed to with the employee) | July   | <ul style="list-style-type: none"> <li>EPMS policy implementation guidelines</li> </ul>  |
|                          | Preparation for formal reporting processes                                    | Employee and supervisor  | In line with the quarters (at least a week prior to the meeting)   | <ul style="list-style-type: none"> <li>EPMS policy implementation guidelines</li> </ul>  |



| Activity  | Task   | Responsibility   | When This Must Take Place   | Relevant tools, templates and inputs  |
|---|--|--|---|---|
|   | Facilitate the formal performance reporting sessions | Supervisor   | September (1 <sup>st</sup> quarter)/<br>December (Mid-year review)/<br>March (3 <sup>rd</sup> quarter)/ June<br>(Annual appraisal) <sup>3</sup> | <ul style="list-style-type: none"> <li>• EPMS policy implementation guidelines</li> <li>• Copies of performance agreements and assessment reports including evidence and means of verification</li> </ul> |
| Managing the outcomes of the assessment process | Development of performance improvement plans         | Employee and supervisor  | As and when it is determined that the employee's performance is unsatisfactory or poor  | <ul style="list-style-type: none"> <li>• EPMS policy implementation guidelines</li> </ul>   |
|   | Implementation of the performance improvement plans  | Employee and supervisor and other relevant role players depending on the improvement plan requirements | Dependent on the plan   | <ul style="list-style-type: none"> <li>• EPMS policy implementation guidelines</li> <li>• Other inputs as may be necessary depending on the interventions</li> </ul>                                      |
|   | Initiate proceedings for incapacity                  | Supervisor   | In line with the policy stipulations  | <ul style="list-style-type: none"> <li>• EPMS policy implementation guidelines</li> <li>• Labour law or labour relations policy</li> </ul>  |

<sup>3</sup> For purposes of evaluating the annual performance of managers directly accountable to the municipal manager, an evaluation panel constituted of the following persons will be established -

- Municipal Manager;
- Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- Member of the mayoral committee; and
- Municipal manager from another municipality.

For the purpose of evaluating the annual performance of the municipal manager, an evaluation panel constituted of the following persons will be established -

- Executive Mayor;
- Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- Member of the Mayoral Committee;
- Mayor and/or municipal manager from another municipality; and
- Member of a ward committee as nominated by the Executive Mayor.





| Activity | Task  | Responsibility                              | When This Must Take Place  | Relevant tools, templates and inputs  |
|----------|---|---|--|---|
|          | Recommend/nominate for rewards  | Supervisor                                  | September  | <ul style="list-style-type: none"> <li>EPMS policy implementation guidelines</li> <li>Outcomes of the assessment process</li> </ul>   |
|          | Preparation of a detailed report for Evaluation Panels on recommendations | The PM Unit/ Internal Audit verify evidence | October  | <ul style="list-style-type: none"> <li>The EPMS policy implementation guidelines</li> </ul>   |
|          | Review the recommendations  | Evaluation Panels                           | December/ January  | <ul style="list-style-type: none"> <li>The EPMS policy implementation guidelines</li> <li>The municipality's annual report</li> </ul>   |
|          | Make a final decision with regards to the recommendations/ outcomes       | Mayoral Committee                           | March  | <ul style="list-style-type: none"> <li>Copies of performance agreements and assessment reports including evidence and means of verification</li> <li>The EPMS policy implementation guidelines</li> </ul> |
|          | Implementation of the decisions by the Committee                          | The PM team                                 | April  | <ul style="list-style-type: none"> <li>The EPMS policy implementation guidelines</li> </ul>   |
|          | Provision of feedback on the outcomes of the assessment                   | Supervisor                                  | As and when an official response is available – at least within 48 hours of receiving such official response | <ul style="list-style-type: none"> <li>The EPMS policy implementation guidelines</li> <li>Committee decision in this regard</li> </ul>  |



## 7.2 Permanent Employees

| Activity             | Task                                      | Responsibility                      | When This Must Take Place  | Relevant tools, templates and inputs  |
|----------------------|---|-------------------------------------|--|---|
| Performance planning | Development of a draft performance plan   | Employee and Supervisor             | June   | <ul style="list-style-type: none"> <li>Integrated Development Plan/ Service Delivery Plan</li> <li>Performance management results from previous cycle or period</li> <li>EPMS policy implementation guidelines</li> </ul> |
|                      | Signing the performance plan              | Employee and Supervisor             | June   | <ul style="list-style-type: none"> <li>The draft performance plan</li> <li>EPMS policy implementation guidelines</li> </ul>   |
|                      | Quality assurance                         | PM Unit                             | June   | <ul style="list-style-type: none"> <li>Copy of signed performance plan</li> <li>EPMS policy implementation guidelines</li> </ul>  |
|                      | Review of signed performance plan         | Senior management team <sup>4</sup> | July   | <ul style="list-style-type: none"> <li>EPMS policy implementation guidelines</li> </ul>   |
|                      | Amending draft or signed performance plan | Employee and Supervisor             | At any time during the performance cycle as long as this is in line with policy provisions | <ul style="list-style-type: none"> <li>Prescribed template for signing the performance plan</li> <li>Relevant motivation/ reasons behind such amendments</li> </ul>   |

<sup>4</sup> The team may review a sample of the plans depending on numbers; consideration may be given to drawing a representative sample



| Activity  | Task   | Responsibility   | When This Must Take Place  | Relevant tools, templates and inputs   |
|---|--|--|--|--|
| Performance plan implementation, monitoring and support | Implementation of the performance plan                                   | Employee   | Throughout the performance cycle   | <ul style="list-style-type: none"> <li>Signed performance plan</li> <li>Any other tools as may be necessary for the implementation of the agreement</li> </ul> |
|   | Monitoring of performance  | Supervisor   | Monthly  | <ul style="list-style-type: none"> <li>Signed performance plan</li> <li>EPMS policy implementation guidelines</li> </ul>                                       |
|   | Provision of support and/or coaching                                     | Supervisor   | Throughout the performance cycle   | <ul style="list-style-type: none"> <li>Signed performance plan</li> <li>EPMS policy implementation guidelines</li> </ul>                                       |
|   | Collecting evidence to support performance                               | Employee   | Throughout the performance cycle   | <ul style="list-style-type: none"> <li>Signed performance plan</li> <li>EPMS policy implementation guidelines</li> </ul>                                       |
| Reporting on performance                                | Submission of progress reports on implementation of the performance plan | Employee   | As and when this may be appropriate or as agreed to (Minimum requirements are only related to the formal reporting sessions i.e. 4 times during the cycle) | <ul style="list-style-type: none"> <li>Signed performance plan</li> <li>Evidence of achievement</li> <li>Means of verification (if available)</li> </ul>       |
|   | Scheduling of formal performance reporting sessions                      | Supervisor primarily (even though these must be agreed to with the employee) | July   | <ul style="list-style-type: none"> <li>EPMS policy implementation guidelines</li> </ul>  |



| Activity  | Task   | Responsibility   | When This Must Take Place   | Relevant tools, templates and inputs   |
|---|--|--|---|--|
|   | Preparation for formal reporting processes           | Employee and supervisor  | In line with the quarters (at least a week prior to the meeting)  | <ul style="list-style-type: none"> <li>EPMS policy implementation guidelines</li> </ul>  |
|   | Facilitate the formal performance reporting sessions | Supervisor   | September (1 <sup>st</sup> quarter)/ December (Mid-year review)/ March (3 <sup>rd</sup> quarter)/ June (Annual appraisal) | <ul style="list-style-type: none"> <li>EPMS policy implementation guidelines</li> <li>Copies of performance plans and assessment reports including evidence and means of verification</li> </ul> |
| Managing the outcomes of the assessment process | Development of performance improvement plans         | Employee and supervisor  | As and when it is determined that the employee's performance is unsatisfactory or poor                                    | <ul style="list-style-type: none"> <li>EPMS policy implementation guidelines</li> </ul>  |
|   | Implementation of the performance improvement plans  | Employee and supervisor and other relevant role players depending on the improvement plan requirements | Dependent on the plan   | <ul style="list-style-type: none"> <li>EPMS policy implementation guidelines</li> <li>Other inputs as may be necessary depending on the interventions</li> </ul>                                 |
|   | Initiate proceedings for incapacity                  | Supervisor   | In line with the policy stipulations  | <ul style="list-style-type: none"> <li>EPMS policy implementation guidelines</li> <li>Labour law or labour relations policy</li> </ul>   |
|   | Recommend/nominate for rewards                       | Supervisor   | September   | <ul style="list-style-type: none"> <li>EPMS policy implementation guidelines</li> <li>Outcomes of the assessment process</li> </ul>  |



| Activity | Task   | Responsibility         | When This Must Take Place  | Relevant tools, templates and inputs  |
|----------|--|------------------------|--|---|
|          | Preparation of a detailed report for the Senior management team on recommendations/nominations for rewards | The PM Unit            | October  | <ul style="list-style-type: none"> <li>The EPMS policy implementation guidelines</li> </ul>   |
|          | Review the recommendations   | Senior management team | December/January   | <ul style="list-style-type: none"> <li>The EPMS policy implementation guidelines</li> <li>The municipality's annual report</li> </ul>   |
|          | Make a final decision with regards to the recommendations/outcomes   | The Municipal Manager  | March  | <ul style="list-style-type: none"> <li>Copies of performance agreements and assessment reports including evidence and means of verification</li> <li>The EPMS policy implementation guidelines</li> </ul> |
|          | Implementation of the decisions by the Municipal Manager   | The PM team            | April  | <ul style="list-style-type: none"> <li>The EPMS policy implementation guidelines</li> </ul>   |
|          | Provision of feedback on the outcomes of the assessment  | Supervisor             | As and when an official response is available – at least within 48 hours of receiving such official response | <ul style="list-style-type: none"> <li>The EPMS policy implementation guidelines</li> <li>Committee decision in this regard</li> </ul>  |



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## **8. DISPUTE RESOLUTION AND GRIEVANCES**

- 8.1 All disputes related to performance management shall be referred to the next in line of authority for mediation.
- 8.2 If this mediation fails the dispute shall be dealt with in line with the Municipality's dispute resolution procedures.
- 8.3 All disputes relevant to a specific performance cycle must be declared within 90 days of the employee becoming aware of the official act or omission (in line with Grievances rules).

## **9. MONITORING AND EVALUATION**

- 9.1 The Performance Management Unit shall be responsible for the management of the performance management system and shall undertake periodic audits to determine the effectiveness of the system and ensure compliance with legislation.
- 9.2 The Performance Management Unit shall also be responsible for ensuring that the performance agreements / performance plans and performance assessment reports meet the necessary quality requirements, otherwise these shall be referred back to the relevant supervisors / managers for rectification.

## **10. IMPLEMENTATION AND REVIEW**

- 10.1 This policy is effective once approved by Council. The Corporate Services Directorate will facilitate the review of this policy as and when changes occur and shall remain valid until such time as the changes have been approved and implemented.

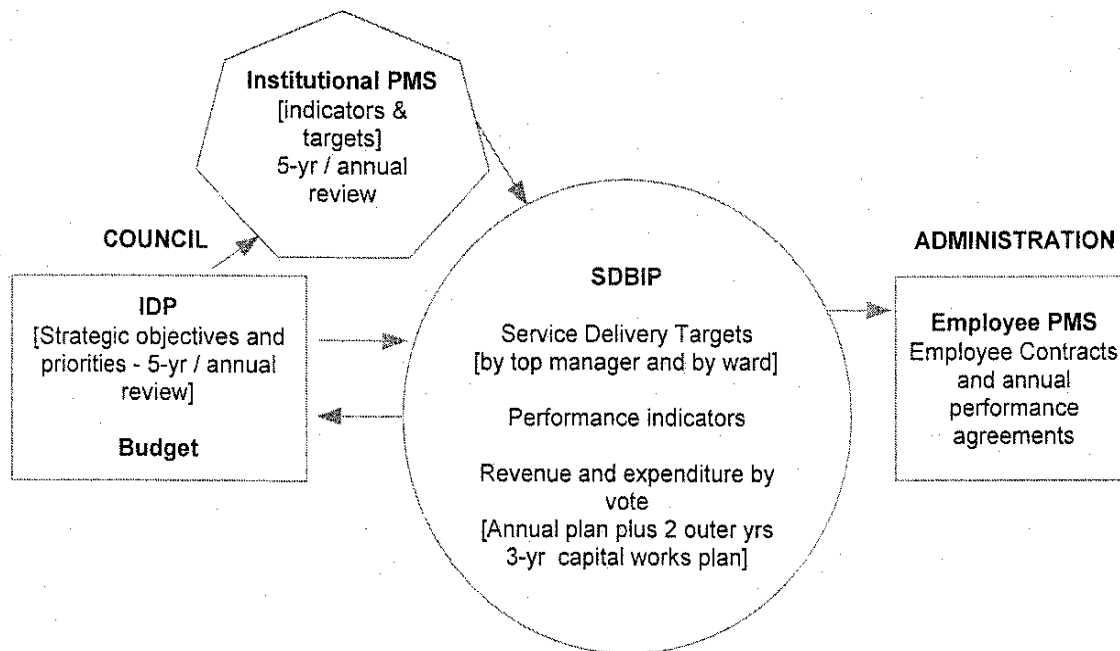


10.2 A key requirement for the **successful implementation** of the EPMS is **training on the system**. Managers, supervisors and employees must be trained in the method of the system and areas such as communication, problem-solving and conflict resolution in order to manage the system more effectively. The training of supervisors in particular is of the utmost importance, and this should result in supervisors knowing how to implement the system, ensuring that employees receive adequate training and possess sufficient information to be able to fully participate in the processes. This must be done with the support and co-operation of the Human Resources Department.

10.3 Officials implementing this policy are required to make reference to the latest delegation framework and identify the appropriate delegations applicable to this policy, which may be subject to change from time to time.



## Annexure A: Aligning Employee PMS to Organisational Strategy







### Annexure B: Incentive Framework for Section 57, Senior Managers and Fixed Term Contract Employees

| Performance category                         | Total Score    | Probation  | Development                               | Pay Progression | Performance Bonus |
|--|----------------|--|---|-----------------|-------------------|
| Unacceptable performance                     | 69% and lower  | Extend<br><br>Probation or terminate in respect of Incapacity Code | Agree on<br><br>development programme     | None            | None              |
| Performance not fully effective              | 70%-99%        | Extend<br><br>Probation or terminate in respect of Incapacity Code | Agree on<br><br>development programme     | None            | None              |
| Performance fully effective                  | 100%-129%      | Confirm<br>Probation   | Agree on<br><br>Development opportunities | None            | None              |
| Performance significantly above expectations | 130%-149%      | Confirm<br>Probation   | Agree on<br><br>Development opportunities | None            | 5%-9%             |
| Outstanding Performance                      | 150% and above | Confirm<br>Probation   | Agree on<br><br>Development opportunities | None            | 10%-14%           |



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### Annexure C: Incentive Framework for Permanent Employees (other than Senior Managers)

| Performance category                         | Total Score    | Probation   | Development                        | Pay Progression | Non- Monetary Incentive |
|--|----------------|---|------------------------------------|-----------------|-------------------------|
| Unacceptable performance                     | 69% and lower  | Extend probation or terminate in respect of Incapacity Code | Agree on development programme     | None            | None                    |
| Performance not fully effective              | 70%-99%        | Extend probation or terminate in respect of Incapacity Code | Agree on development programme     | None            | None                    |
| Performance fully effective                  | 100%-129%      | Confirm Probation   | Agree on development opportunities | None            | None                    |
| Performance significantly above expectations | 130%-149%      | Confirm Probation   | Agree on development opportunities | One merit notch | 5%-9%                   |
| Outstanding Performance                      | 150% and above | Confirm Probation   | Agree on development opportunities | One merit notch | 10%-14%                 |



#### Annexure D: Performance Rating Scale

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



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### Annexure E: Personal Development Plan

| 1. Skills / Performance Gap<br>(in order of priority) | 2. Outcomes Expected<br>(measurable indicators: quantity, quality and time frames) | 3. Suggested training and / or development activity | 4. Suggested mode of delivery | 5. Suggested Time Frames | 6. Work opportunity created to practice skill / development area | 7. Support Person |
|---|--|---|-------------------------------|--------------------------|--|-------------------|
| 1.  |  |   |                               |                          |  |                   |
| 2.  |  |   |                               |                          |  |                   |
| 3.  |  |   |                               |                          |  |                   |
| 4.  |  |   |                               |                          |  |                   |



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## Annexure F: Career Plan

| 1. What are your Career Aspirations?<br>(in order of priority) | 2. What Training or Development do you<br>need to help make this happen? | 3. Current Skill / Qualification Profile<br>[Formal qualification and/or informal skills<br>acquired] |
|--|--|---|
| 1.   |  |   |
| 2.   |  |   |
| 3.   |  |   |
| 4.   |  |   |
|  | 4. Current Age   | 5.  |