



**INDIVIDUAL PERFORMANCE MANAGEMENT  
POLICY 2024/25**

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## DEFINITIONS

CONCEPTS	DEFINITION
<b>“personal development plan”</b>	This is a plan that is developed after each formal performance review showing what training and development activities are planned to help the employee to improve in his/her current job or to obtain new skills and knowledge to advance in his/her career. This plan will also assist in the development of the Workplace Skills Plan (WSP) for the unit.
<b>“inputs”</b>	These are the knowledge, skills and behaviours an employee needs to have in order to perform a particular job effectively.
<b>“key performance area”</b>	A KPA describes something that must be achieved. Another word for KPA, is an objective or goal. In the performance plan, the word "KPA" is used to refer to the key deliverables, which make up an employee's job. As a guideline, there should not be more than 6 KPA's in the performance plan.
<b>“outputs”</b>	The outputs of the job focus on what needs to be delivered in order to be successful in the job. The output section of the performance plan is made up of the key performance areas and should cover all the different key deliverables of the job, which ensures that the overall purpose of the job is achieved.
<b>“performance agreement”</b>	A written agreement concluded annually between a municipality and a staff member that sets out the agreed KPAs and KPIs within a performance cycle.
<b>“performance cycle”</b>	Means the period commencing on 01 July annually and ending on 30 June of the following year for which performance is planned, managed and assessed.
<b>“performance indicators”</b>	Key Performance Indicators (KPIs) These are measures that are used to provide proof of evidence of whether or not a key performance area has been met.
<b>“Performance standards”</b>	Performance standards are specific performance requirements or expectations that must be met to be appraised at a particular level of performance.
<b>“Portfolio of Evidence”</b>	Refers to the documentary evidence on progress made by a staff member towards the achievement of that staff member's KPA's.
<b>“scoring”</b>	A classification of ranking of someone or something based on a comparative assessment of their quality, standard or performance.
<b>“Weighting”</b>	Weighting shows the relative importance of one objective against the others.

### ACRONYMS

IDP	-	Integrated Development Plan
SDBIP	-	Service Delivery Budget Implementation Plan
PDP	-	Personal Development Plan
PMS	-	Performance Management System
IPMS	-	Individual Performance Management systems
IPP	-	Individual Performance Plan
KPA	-	Key Performance Area
KPI	-	Kay Performance Indicator
MFMA	-	Municipal Finance Management Act, 2003
MSA	-	Municipal Systems Act, 2000
OPMS	-	Organizational Performance Management Systems
PA	-	Performance Agreement
WSP	-	Workplace Skills
PMDS	-	Performance Management Development System

## 1. INTRODUCTION

- a) An individual Performance Management System (IPMS) is defined as a management tool through which a Municipality can plan, manage, monitor, and review the performance of the municipality and its employees to measure the progress made in achieving the objectives set out in the Integrated Development Plans (IDP's) and further ensure the efficiency, effectiveness and impact of its service delivery.
- b) IPMS is not just a tool to measure performance but to align employee behavior with organizational objectives and it enables the municipality to identify talent.
- c) It enhances individual career development through informed decision-making and focused training and it assists employees to discover their strengths and recognize their weaknesses and take full account of employee contribution. It also ensures a common understanding of the performance expected.
- d) The cascading of PMS is done by assessing each individual contribution by setting goals and targets that will add value to the strategic goals and objectives of the Municipality. In a nutshell, IPMS is to translate the organizational strategy (IDP) into operational activities. Therefore, a link between the Organizational Performance and Individual Performance must be considered.
- e) The actual execution of PMS cascading involves developing a balanced scorecard (SDBIP) to be executed at; an Institutional, departmental/Directorate and Individual level.
- f) The cascading of the Performance Management and Development systems is mandatory for every municipal staff member to participate in. The annual performance agreement as well is mandatory. The signing of work plans is compulsory for all employees.
- g) The Moderation committees are the governance structures of PMDS.
- h) The roll-out to lower levels of the organization will be dependent on the availability of human and financial resources. Cascading will be done up to a level where it is practically implementable and may include the signing of performance plans on a team basis.
- i) The cascading of IPMS will be implemented through a phase in approach to ensure a successful execution. All employees from Task Grade 18 to Task Grade 11 will sign performance agreements and be assessed as per the guidelines of this policy for the 1<sup>st</sup> phase of IPMS.

### 1.1. PURPOSE OF THE IPMS POLICY

- a) To provide the policy and legislative context of chapter 4 of the Municipal Staff Regulations;
- b) To provide an overview aimed at facilitating the application and institutionalizing of Chapter 4 of the Regulations;
- c) To outline the composition and purpose of the Moderating Committees.
- d) To provide an outline of the criteria to be used in the performance evaluation processes as well as the evaluation cycles.
- e) Identifying the key role players in the implementation of IPMS.
- f) To guide the performance rewards, evaluation disputes and how to manage sub-standard performance.

## 2: LEGISLATIVE AND POLICY FRAMEWORK

- a) The Constitution of the Republic of SA, 1996
- b) The White Paper on Local Government, 1998
- c) Municipal Systems Act, 2000
- d) Municipal Planning and Performance Management Reg, 2001
- e) Municipal Staff Regulations, 2021
- f) Municipal Finance Management Act, 2003
- g) Regulations for MMs and Managers Directly Accountable to MMs, 2006
- h) Skills Development Act, 1998
- i) Labour Relations Act, 1995

## 3: LONG-TERM DEVELOPMENT VISION AND MISSION: MANDENI LOCAL MUNICIPALITY

Mandeni Local Municipality seeks to take strides to react to windows of opportunity, which are innovation, growth, prosperity, cost structure and technological advancement. As such, the municipality has formulated a vision statement that defines its medium to long-term goal and pledges a future characterized by an improved quality of life, higher service levels and accountable leadership to the people of Mandeni and all other interested and affected parties. The vision paints a picture of a bright future for Mandeni, indicates how stakeholders, both internal and external, should perceive the Mandeni area and sets a clear direction and expectations within which the entire organizational strategy is framed.

### 3.1. MISSION STATEMENT

Further to the vision statement, Mandeni Municipality has developed a mission statement that sets the tone for every decision that the municipality makes to achieve its vision. The brief mission statement defines the organization and seeks to set it apart from the other municipalities. Mandeni Local Municipality will achieve the development vision by following a culture of Core values in keeping with the principles of Batho Pele our conduct will be guided by the following:

3.1.1 Honesty

3.1.2 Transparency

3.1.3 Integrity

3.1.4 Inclusiveness

3.1.5 Commitment

3.1.6 Professionalism

#### 4: OBJECTIVES OF THE INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

- 4.1 The objectives of implementing an Individual Performance Management System in a municipality are to:
- 4.1.1 Achieve sustainable improvements in service delivery to the community;
  - 4.1.2 Develop constructive and open relationships between Managers/Supervisors and employees;
  - 4.1.3 Encourage and reward good performance;
  - 4.1.4 Manage and improve on poor performance
  - 4.1.5 Provide accountability;
  - 4.1.6 Link the Integrated Development Plan (IDP) to the team and individual performance;
  - 4.1.7 Enable individuals to develop their abilities, increase their job satisfaction and achieve their full potential to the mutual benefit of the employee and municipality;
  - 4.1.8 Create a climate for individuals to develop their abilities, increase their job satisfaction and achieve full potential; and to fulfil the requirements of the MSA, 2000

#### 5: KEY ROLE PLAYERS FOR INSTITUTIONALISING & IMPLEMENTING OF IPMS

- 5.1 The implementation of this policy will be monitored in the Office of the Municipal Manager, while the daily management of the cascading process will be managed through the Corporate Services Department. The detailed responsibilities are as follows:

**5.1.1 Municipal Manager**-Provide Strategic Leadership and Support in the implementation and reinforce change management processes.

**5.1.2 Directors** -Take the Lead by being champions of IPMS at the department/directorates level

**5.1.3 Council** -Conduct Oversight on Performance Information and make resolutions to improve IPMS

**5.1.4 Line Managers**-Take a lead in the end-to-end processes of institutionalizing and implementing IPMS at the business level

**5.1.5 Employees**-Partake in the Performance Management System by delivering the outputs set on their Performance Plans to realize the strategic objective of the IDP

**5.1.6 Integrated Development Planning Division**-Planning Coordination and Delivery of Municipal Strategy.

**5.1.7 Performance Management System Division** -Coordinate the development of PMS Policy and drive the implementation thereof.

**5.1.8 Human Resources Division** -Facilitate the development of Job Descriptions and coordinate the HRD component.

**5.1.9 Labour Relations Division** -Partaking in policy development/review and substandard poor performance (Scheduled 8 LRA).

**6. LINKAGE BETWEEN ORGANIZATIONAL PERFORMANCE MANAGEMENT SYSTEM AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM**

- 6.1. To ensure that the municipality meets its organizational performance indicators and standards, each individual/team is given performance objectives, targets and standards that are linked to the objectives of his /her team, her/his department and ultimately her/his municipality.
- 6.2. Once organizational objectives and targets have been set, it is possible to cascade them down to relevant departments and individuals/teams. In turn, the individuals/teams and departments, by achieving their objectives and targets, contribute towards the Municipality achieving the objectives and targets in its IDP.
- 6.3. The initial parts of the strategic component refer more to the organization while the lower parts of the operational levels are largely for the individuals. The diagram below helps to clarify the cascading linkages:



S.G.K



## 7. PLANNING, MONITORING, COACHING AND FEEDBACK PHASE OF THE CASCADING OF INDIVIDUAL PERFORMANCE MANAGEMENT

### 7.1. PLANNING

During the **planning** phase of the cascading of Performance Management;

- 7.1.1 the supervisor and staff member must jointly identify organizational, departmental as well as performance expectations of a staff member or team and secure the staff member or team's commitment to achieving the performance expectations;
- 7.1.2 the supervisor must explain to the staff member how the performance agreement and IPMS operate;
- 7.1.3 all staff members, including management, must be capacitated through training on—
  - what the process entails;
  - why the municipality uses the IPMS process;
  - how the IPMS works, including the phases, purpose of linkage with the IDP
  - Competency framework and how the performance of competencies are measured;
  - the expectation from a staff member in a specific role; and
  - when performance will be evaluated and reviewed;
- 7.1.4 the supervisor and staff member must develop a performance agreement wherein the performance standards will be defined in terms of quality, quantity, time and process. The following documents can assist—
  - the staff member's job description;
  - the IDP and departmental SDBIP;
  - the supervisor's performance agreement, where applicable;
  - the staff member's previous year's performance assessment, where applicable; and
  - any other document considered relevant to the process;
  - planned KPAs, KPIs and targets as contained in the performance agreement must meet the SMART (**specific, measurable, achievable, relevant and time bound**) criteria.
- 7.1.5 the municipality must ensure that every supervisor has undergone training to acquire the relevant coaching skills needed for the ongoing implementation of the IPMS;

## 7.2 MONITORING, COACHING AND FEEDBACK:

7.2.1 Effective performance monitoring, coaching and feedback must be monitored continuously throughout the performance cycle

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

- observation, motivating and encouraging the staff member;
- frequent and infrequent exchanges of feedback about the staff member's performance;
- regular evaluation of whether the staff member performs according to the set objectives as outlined in the performance agreement;
- formal coaching and informal performance evaluation sessions;
- reinforcing the discussions that took place during the planning phase culminating in the performance agreement;
- affording the supervisor, the opportunity to encourage the development of the staff member or team;
- proactive identification of challenges and solutions to enable achievement;
- identification of accomplishments or challenges by the staff member or team that have been resolved, which otherwise may not have come to the supervisor's attention;
- coaching that reinforces effective performance or brings the performance of the staff member closer to the expected standards; and
- A staff member or team who participated in several coaching sessions being aware of what is required of him or her to meet performance outcomes.

7.2.3 staff member's supervisor must keep a record of all assessment meetings.

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

7.2.5 supervisors must receive adequate training in performance coaching processes and be capable of effectively assessing progress and evaluating the performance of staff or team.

7.2.6 The development needs of staff identified during performance monitoring and coaching processes must be evaluated and addressed to encourage good performance and improves job-related skills and competencies that support staff to keep up with changes in the workplace.

## 8. S.M.A.R.T PRINCIPLES

**S.M.A.R.T** is a prompt, giving criteria to guide in the setting of objectives, for example in project management, employee performance management and personal development. The letters broadly conform to the words **specific, measurable, attainable, relevant** and **time-bound**. The Municipality needs to ensure that Objectives, as well as Key Performance Indicators, need to be developed using S.M.A.R. T Principles.

## 9. KEY PERFORMANCE AREAS (KPA'S)

A Key Performance Area is defined as a broad focus area, or group of objectives within the Integrated Development Plan, for example; the provision of water, sanitation and roads can be grouped under a Key Performance Area of "infrastructural development".

The municipality has adopted the **6 National KPAs** as contained in the 5-year Local Government Strategic Agenda as the core KPA's in its organizational performance scorecard. The KPAs are as follows:

### 9.1. BASIC SERVICE DELIVERY

- Includes aspects such as basic water, sanitation, electricity, refuse and roads.
- Includes social infrastructure, e.g. housing, health, education, welfare, and cemeteries.

## **9.2. LOCAL ECONOMIC DEVELOPMENT**

- Economic Development and poverty alleviation strategies and awareness programmes
- Comprise economic generation objectives
- Elements of poverty alleviation are also grouped in this area.

## **9.3. GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

- Measures how the local government sphere aligns and integrates with the provincial and national spheres of government on cross-cutting issues.
- Programmes to demonstrate how the community participates/ is consulted/ is empowered in government programmes;
- In addition to the social infrastructure, social programmes also form part of this e.g. HIV/AIDS, etc.
- Risk and internal audit function

## **9.4. MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT**

- How the institution is (administratively and politicaly) capacitated to exercise its duties (Human Resource development and management)?
- How is the organization structured to meet the needs of the IDP
- Is the organization accountable to the public via the necessary performance management systems?
- The internal policies and processes and adherence to aspects like gender equity, disability and general management of the municipality.

## **9.5. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**

- Comprises the policies and processes relating to revenue generation, debt and credit management as well assets and liability control and auditing.
- Aspects such as submission of the financial statements to the Auditor General (AG) as well as the findings of the AG on the Municipal Affairs
- Compliance with Municipal Finance Management Act and the Service Delivery and Budget Implementation

## 9.6 SPATIAL RATIONAL ENVIRONMENTAL /CROSS-CUTTING MEASURES

- To ensure the acquisition and sustainable use of land and promote growth and development
- Improve investment in land development and establishment of sufficient certainty in the land market
- To establish economical, social, and environmentally integrated sustainable human settlements around Mandeni Municipality.

## 10. PERFORMANCE EVALUATION

Performance Assessments are to be done as per the schedule in the table below:

Quarter	Period	Review date
1	July - September	Before the end of October ( <b>informal</b> )
2	October - December	Before the end of January (Midyear Review) ( <b>formal</b> )
3	January - March	Before the end of April ( <b>informal</b> )
4	April- June	Before the end of December (Annual Review) ( <b>formal</b> )

### 10.1. MID-YEAR PERFORMANCE REVIEW:

The mid-year performance review—

10.1.1 is a formal bi-annual performance appraisal where a staff member or a team is given feedback on his or her performance;

10.1.2 must be recorded;

10.1.3 offers an opportunity between the supervisor and staff member to assess the staff member or team's performance against set performance objectives, for the supervisor to monitor, coach and provide feedback to ensure effective performance, for the supervisor and staff member to—

- jointly identify performance challenges and agree on solutions to overcome identified challenges;
- agree on the developmental needs of the staff member and address such needs;
- review the performance targets resulting from workplace changes beyond the staff member or team's control and reinforce good performance.

10.1.4 the mid-year performance review will be based on the existing performance agreement.

10.1.5 the amended performance agreement or addendum must be co-signed by the supervisor and staff member, and

10.1.6 a record of the amendments must be kept for purposes of annual performance assessment.

10.1.7 the staff member's supervisor must keep a record of all assessments.

## **10.2. ANNUAL PERFORMANCE EVALUATION:**

The objectives of the performance evaluation are to —

10.2.1. formally discuss the performance outcome achieved by the staff member against agreed performance indicators and targets based on the work performed during the performance cycle of 12 months;

10.2.2. rate the performance of a staff member or team against each measurable KPI using the five-point rating scale;

10.2.3. recognize positive achievements and provide feedback on unsatisfactory performance; and

10.2.4. identify areas of Improvement and develop action plans to be included in personal development plans to address identified areas for improvement.

10.2.5. Every staff member or team must be subjected to an annual performance assessment at the end of the performance cycle of a municipality.

10.2.6. The annual performance evaluation must be preceded by the staff member's self-rating against predetermined objectives, and where necessary supported by a portfolio of evidence.

10.2.7. Once the annual performance evaluation has been concluded, the performance assessment reports and outcomes must be subjected to departmental moderation processes.

10.2.8. Rating entails evaluating the staff member or team's performance against performance standards in a staff member's performance plan and assigning a numeric rating for each KPI.

10.2.9. The supervisor and staff member must—

- formally and objectively confirm the staff member's performance outcomes against agreed KPAs, KPIs and job-specific competencies;
  - rate the performance of each staff member or team against each measurable KPI and job-specific competencies using the 5-point rating scale;
  - recognize positive achievements;
  - identify deficient performance;
  - identify the staff member's developmental needs, which will inform the Personal Development Plan of the employee; and
  - sign the final annual performance assessment.
  - At the end of the performance cycle, a rating scale is used which has a bearing on rewarding and recognizing performance above fully effective.
  - The supervisor must submit the final annual performance assessment, performance scores and any related evidence supporting performance to Human Resources (Performance Monitoring & Evaluation Unit).
- 10.2.10 Performance ratings for KPAs and competencies are calculated using the 5-point rating scale —

10.2.11 KPA ratings are calculated where individual ratings have been assigned to each KPI using the five-point rating scale;

10.2.12 No rounding of calculations is allowed and 2 decimal points must be used;

## 11.FIVE-SCALE RATING

The final performance should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that have to be performed under the KPA based on the following five-point scale: -

11.1 an overall rating is calculated by using the assessment rating calculator,

11.2 the annual performance evaluation must determine a performance rating for the performance cycle,

11.3 the staff member assessed, or the person designated must provide the Supervisor with a portfolio of evidence relating to his or her KPAs for the entire performance cycle.

11.4 The maintenance and provision of the portfolio of evidence to support the decision on the final score for each KPA and competency is the responsibility of the staff.

11.5 The Municipal Manager may exempt categories of staff from maintaining a portfolio of evidence in which case the municipality must determine alternative mechanisms or designate a staff member who will maintain the portfolio of evidence of those staff members.

## 12. PERFORMANCE PLANNING AND AGREEMENT

### 12.1 The performance agreement (PA)

The performance agreement is the cornerstone of performance management at the individual level. All employees must enter into and sign performance agreements before the end of the first quarter of the new cycle. Municipal and component performance measures should inform the development of the individual employee's PA. The PA format applies to all levels in the municipality and the contents must reflect the municipal's strategic and SDBIP and the employee's job description, job role and actual activities and responsibilities.

### 12.2. The content of a PA must include the following –

- Employee data such as the Employee number, job title and level, as well as a description of the employee's job role
- Objectives or targets
- KPAs, their weightings and target date for meeting the KPAs
- KPIs and performance standard for each KPI
- Name and definition of Job Specific Competencies, their weightings and the expected level of capability for each competency
- A personal development plan (PDP) that is in line with regulation 51.
- The process of monitoring and assessing performance, including planned dates of assessments

If an employee changes jobs during the performance cycle, but remains at the same level, a new PA must be entered into for the new role and the performance assessment should take both periods into consideration. Only supervisors are authorised to enter into a performance agreement with another employee on behalf of the municipality. The PA, especially the performance plan, should be revised if the employee has not been in the job role for more than three months for any reason, as for example, maternity, ill health, study, secondment, or travel. A PA without a completed and attached performance plan should be regarded as invalid and of little use in the performance management process.



### 12.3 Personal Development Plan (PDP)

The PA must include a Personal Development Plan (refer to Annexure D for an example). The purpose of the development plan is to identify any performance output shortfall in the work of the employee. The employee shall use the staff regulations to see the gap between the competencies .

## 13. PERFORMANCE EVIDENCE

13.1. The submission of evidence is subject to the following—

- during the planning phase, an agreement must be reached on what evidence is to be used to minimize time and effort; and
- evidence must be gathered during the performance cycle as this will inform and substantiate the scores according to the rating scale.

13.2. The staff member or team must gather, collate and present evidence against the measurable KPIs and, where applicable, job-specific competencies as contained in the performance agreement—

- 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 the achievement of KPIs and job-specific competencies; and
- the ultimate accountability for the submission of the portfolio of evidence rests with the staff member or team being evaluated.

13.3. The nature of the work must determine the type of evidence that should be provided. This may, inter alia, include—

- official records;
- confirmation by a supervisor;
- confirmation by other stakeholders such as a letter from a government department; and
- inspection or viewing of evidence by supervisor such as filing system,
- memorandums, reports, etc.

13.4.A supervisor may, at the latest by mid-year review:

- accept other evidence that substantiates achievement of KPIs or competencies and
- assist the staff member or team to obtain such evidence.

## 14. PERFORMANCE MODERATION

### 14.1. DEPARTMENTAL PERFORMANCE MODERATION COMMITTEE

14.1.1. The municipal manager must establish departmental performance moderation committees, which must be convened annually.

14.1.2. 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.

14.1.3. The moderation committee must have sat by the 31<sup>st</sup> of December of each year.

14.1.4. The departmental performance moderation committees shall be constituted as follows:

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

14.1.5. The purpose of the departmental performance moderation committee is to—

- conduct moderation of annual staff performance results to ensure that the norms and standards for IPMS are applied in a fair, realistic and consistent manner across the department;
- assess and compare the performance and contribution of each staff member with his or her peers towards the achievement of departmental goals;
- recommend the moderated performance scores for all staff members to the municipal moderating committee for approval;
- recommend performance recognition as well as remedial actions for performance considered to be below effective performance; and
- ensure that the integrity of the performance management and development system is protected.

14.1.6. 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 a lack of evidence or information to support the performance ratings, the departmental moderation committee may not reassess, amend or adjust the performance ratings of a staff member, but may refer the assessment back to the relevant supervisor for reassessment in consultation with the affected staff member.

14.1.7. Upon conclusion of the reassessment, the departmental moderation committee may reconvene to moderate the assessment of the staff member concerned.

## **15.2. MUNICIPAL PERFORMANCE MODERATION COMMITTEE**

15.2.1 The municipal council must establish a municipal moderation committee, which must be convened annually.

15.2.2 The Municipal Performance 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 organizational performance;
- d) head of the municipal internal audit;
- e) A senior HR functionary to guide, advise and provide support, and secretariat services;
- f) and a performance specialist, where applicable.

15.2.3 The purpose of the municipal moderation committee is to —

- a) provide oversight over the staff performance to ensure the performance management process is valid, fair and objective;
- b) moderate the overall performance assessment score for staff determined after the departmental moderation processes;
- c) ensure that the final individual performance ratings are fair across each grade and department or directorate;
- d) ensure that the final individual assessment outcome corresponds with the performance of the municipality and the relevant department aligned to the staff member's job description or directorate before any recognition of performance is considered;
- e) determine the percentages for the merit-based rewards subject to affordability and the annual approved municipal budget in terms of section 16 of the Municipal Finance Management Act;
- f) recommend appropriate recognitions for different levels of performance;
- g) recommend appropriate remedial actions for performance believed to be substandard;
- h) identify potential challenges in the performance management system and recommend appropriate solutions to the municipal manager;
- i) identify developmental needs for supervisors to improve the integrity of the performance management and development system; and
- j) consider any other matter that may be considered relevant.

## 16. PERFORMANCE RECOGNITION

### 16.1. Performance awards

The Municipal Manager may reward the employee through –

- (i) financial rewards
- (ii) non-financial rewards;

A performance related award may be awarded to an employee-

- (a) who has served the full assessment period of 12 months on 30 June of each financial year
- (b) transferred or seconded horizontally during the performance cycle within the municipality
- (c) who is on uninterrupted approved leave for 3 months or longer
- (d) who is on approved maternity leave for more than 3 months
- (e) who received a 4 or 5 rating after moderation

16.2. A performance related award may not be awarded to an employee-

- (a) who was appointed after 1 July of that performance cycle
- (b) who is serving probation
- (c) whose performance period is less than 12 months
- (d) whose employment is for a fixed term period of less than 12 months or
- (e) whose post was upgraded without a change in performance agreement

## 17. Outstanding performance-related recognition —

17.1. is at the discretion of the municipality; and may be awarded to a staff member—

- (a) who has served the full assessment period of 12 months on 30 June of each financial year of a municipality;
- (b) transferred or seconded horizontally during the performance cycle within the municipality;
- (c) who received a performance rating of performance significantly above expectations or outstanding performance during a performance cycle after moderation of performance results. This means that a scoring of number 5 on the rating scale.

17.2. The Municipal Manager may grant 2 days annual leave to the respective employee as a form of recognition of outstanding performance which must be taken within the assessment years.

## **18. DISPUTES ABOUT PERFORMANCE AGREEMENTS AND ASSESSMENT**

18.1. Any dispute about performance objectives or targets must be mediated by the relevant head of the department or the directorate of the staff member to whom this function is delegated. If the dispute is not resolved to the staff member's satisfaction, the staff member may lodge a grievance in terms of the applicable procedures.

18.2. Any dispute relating to the conclusion of the performance agreement or an amendment to the performance agreement or assessment must be referred to the head of the relevant department or directorate not later than five days after lodging the grievance in terms of the applicable procedures.

18.3. A dispute contemplated in 15.2 must be resolved within one month of receipt of the dispute by the head of the department, after—

- considering the representation from the staff member concerned and his or her supervisor.

## **19. MANAGING SUB-STANDARD PERFORMANCE**

19.1. A staff member who receives a performance rating below 3 in terms of the five-point rating must;

- be assisted in developing his or her competencies through training and;
- develop a revised personal development plan with his or her Supervisor

- 19.2. The personal development plan must contain at least a description of the behaviour and skills that require improvement;
- The deadlines for improvement;
  - Details of the potential consequences if there is no improvement in performance.
  - The meetings to assess improvement and to provide feedback must be recorded in writing;
  - The personal development plan to manage performance improvement must cover a maximum of a period of 6 months, at the end of which, a formal evaluation of performance must take place.
- 19.3. The meetings to assess improvement & to provide feedback must be recorded in writing -
- 19.4. The personal development plan to manage performance improvement must cover a maximum period of 6 months, at the end of which, a formal evaluation of performance must take place.
- 19.5. The following alternative must be considered in respect of a staff member where performance has not improved to at least a performance that is fully effective;
- 19.6 Continuation of the actions referred to in the personal development plan
- 19.7. Alternative actions to improve performance,
- 19.8. Offering the staff member an alternative job within the municipality that is better suited to the staff member's behaviour and skills, or
- 19.9. Dismissal owing to incapacity in terms of the provisions of the Labour Relations Act.

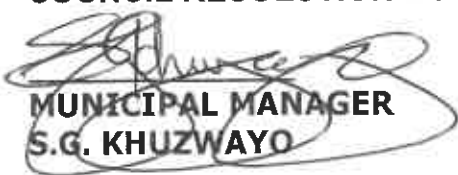
## **20. CONCLUSION**

- 20.1. The Municipal Manager, through the Performance Evaluation & Monitoring Unit under the Corporate Services department, will monitor the implementation and adherence to the policy.
- 20.2. The Performance Evaluation & Monitoring Unit will review this policy annually to ensure alignment with legislative prescripts

- 20.3. For this policy to be fully implemented human resources needs to be made available as follows:
- a) Office of the Municipal Manager: Sufficient capacity to develop policies and manage the institutional performance as well as the individual performance of the MM and Directors.
  - b) Corporate Services Department: Sufficient capacity to develop procedure manuals and manage the roll-out of individual PMS to all levels of staff, this may be done in a phased-in manner.
- 20.4. All Managers/Supervisors should ideally be required to attend the training courses to ensure that they are equipped with the necessary skills to effectively manage performance within their units. The Skills Development Unit will have to conduct the training.
- 20.5. To effectively implement IPMS requires a collaborative effort, embracing the Municipal Staff Regulations and incorporating them into the IPMS Policy.
- 20.6. The Policy must reflect the actions to be executed during implementation.
- 20.7. All the key stakeholders are to be consulted to ensure effective oversight and contribution
- 20.8. Senior Management to be a central point and takes charge and support the custodian department in driving the process
- 20.9. A task team is to be established in driving the process to ensure the municipality moves in the right direction
- 20.10. Role and Responsibilities to be clarified from the onset
- 20.11. PMS Is a compliance matter, therefore the municipality must commit
- 20.12. Engage with SALGA continuously for Support.

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**PREPARED BY: MANAGER HR AND ADMINISTRATION**  
**DATE OF ADOPTION BY COUNCIL: 10 JULY 2024**  
**COUNCIL RESOLUTION NO:C01**

  
**MUNICIPAL MANAGER**  
**S.G. KHUZWAYO**

11/07/2024  
**Date**