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Performance Management and Development Policy

Council Resolution: CR164-17/05/2024SP

Object

To give effect to the provisions contained in the Local Government: Municipal System Act 32 of 2000 (the Act)
Sections 38, 39, 40 & 41.

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1. PREAMBLE

The municipality places performance by all staff members at the forefront of service delivery and has thus developed a policy to drive performance management across all levels and synchronization with other human resources management systems and process.

2. PURPOSE

The purpose of this policy is to provide a standard framework for planning and continuous assessment of and optimization of performance of all staff members in the municipality.

3. OBJECTIVES OF PERFORMANCE MANAGEMENT SYSTEM

3.1. The objectives of the performance management and development is to-

- (a) promote the objects and developmental duties as the municipality set out in section 152 and 153 of the Constitution,
- (b) promote culture of service to the public, accountability, mutual co-operation and assistance amongst staff members,
- (c) institutionalise performance planning monitoring and evaluation in 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 staff members of the municipality's objectives contained in the Integrated Development Plan (IDP) and annual performance plan.
- (f) set clear performance indicators and performance targets by communicating to staff members how their roles contributes the success of the municipality,
- (g) build individual capability, skills, competencies that are key to the municipality achieving its mandate and objectives and encourage commitment among staff members.
- (h) create an enabling environment to plan, monitor and measure performance against set targets or outputs,
- (i) encourage desired behaviors as articulated in the code of conduct for municipal staff members, as contained in schedule 2 of the Municipal Systems Act.
- (j) identify and improve substandard performance of staff members.

4. SCOPE OF APPLICATION

This policy applies to all staff members of the municipality, except a staff member who is:

3.1 appointed on a fixed term contract with a direction of less than 12 months,

3.2 serving notice-

3.2.1 of termination of his/her contract of employment, or

3.2.2 to retire on reaching the statutory retirement age, and

3.2.3 appointed on internship programme or participating in the National Public Works programme or any similar scheme, and

3.3 appointed in terms of section 54A and 56 of the amended municipal systems Act.

5. LEGISLATIVE FRAMEWORK

- (a) The Constitution of the Republic of South Africa, (Act 108 of 1996)
- (b) Local Government: Municipal Systems, 2000 (Act No 32 of 2000)
- (c) Local Government: Municipal Finance Management Act No. 56 of 2003
- (d) Municipal Structures Act, 1998 (Act no. 117 of 1998)
- (e) Labour Relations Act, 1995 (Act no.66 of 1995)
- (f) Employment Equity, 1998 (Act no.55 of 1998)
- (g) Skills Development Act, (Act no.97 of 1998)
- (h) Local Government Regulations on appointment and conditions of employment of senior managers, 2014

- (i) Local Government: Municipal Staff Regulations, 2021
- (j) Local Government: Guidelines for implementation of the Municipal staff regulations, 2021
- (k) Basic Conditions of Employment Act. 1997 (Act no.75 of 1997)
- (l) Municipal Planning and Performance Management Regulations, 2001
- (m) National Skills Development Strategy
- (n) National qualification Framework

6. DEFINITION OF TERMS

All terminology used in this policy shall bear the same meaning as in Municipal Staff Regulation or applicable legislation, or as defined and/or explained in the Glossary Terminology in Human Resources Policies.

7. POLICY SUBJECT

6.1.PERFORMANCE MANAGEMENT AND DEVELOPMENT PRINCIPLES

- 6.1.1. The Performance and Development system shall be collaborative, transparent, and fair.
- 6.1.2. The municipality shall apply the performance management and development system in a consultative, supportive, and non- discriminatory manner in order to enhance organisational efficiency, effectiveness, and accountability.
- 6.1.3. The Performance and Development system shall be underpinned by open, constructive and on – going communication between the supervisor and the staff member.
- 6.1.4. The Performance and Development system where reasonably practicable, link to –
 - (a) the municipality’s strategic objectives and Integrated Development Plan (IDP), the Service Delivery Budget Implementation Plan (SDBIP) of the relevant municipal department, and
 - (b) the senior manager’s performance plan and the performance plans of the staff members falling under that manager’s department.
- 6.1.5. The Performance and Development system 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 expectation and outstanding performance.
- 6.1.6. The Performance and Development system shall be integrated with other human resources policies and practices, as well as any other organisational development initiatives of the municipality.
- 6.1.7. The Performance and Development system shall be promote productivity and optimize skills development targets.
- 6.1.8. The Performance and Development system shall ensure that realistic and achievable outputs are set for staff members.

6.2. PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

- 6.2.1. A staff member of the municipality is a public servant in a developmental local government system, and therefore shall-
 - (a) Be committed to serve the public and to a collective sense of responsibility for performance in terms of standards and target, and
 - (b) Participate in the overall performance management system of the municipality, as well as the staff members ‘individual performance evaluation and reward system in order to maximise the ability of the municipality as a whole, to achieve its objectives.
- 6.2.2. The municipality, as presented by relevant supervisor, and staff member shall, during the planning phase, agree to-
 - (a) the performance objectives and targets that all staff member is expected to achieve during performance cycle,
 - (b) specific performance standards, weightings for targets and performance indicators for measuring achievement of performance against targets, and

- (c) job specific competencies to be assessed in the performance.
- 6.2.3. The supervisor and staff member shall ensure that performance management is aligned to the staff member's job, and KPAs relevant to the post that the staff member holds.
- 6.2.4. The KPAs shall relate to the staff member's functional area and shall consist of not less than five (5) and not more than seven (7) KPAs.
- 6.2.5. The KPAs-
 - (a) include the input, quality or impact of an output by which performance in respect of a KPA is measured, and each performance.
 - (b) shall be measured and verifiable.
- 6.2.6. The performance standard for each KPI may be qualitative or quantitative but shall also satisfy the criteria set out in 6.2.3 above.
- 6.2.7. The KPA weighting demonstrates the relative weight of each KPA.
- 6.2.8. The staff member's job specific competencies shall not exceed six competencies within a performance cycle.
- 6.2.9. The supervisor shall during the performance cycle, monitor, coach and provide feedback to the staff members.
- 6.2.10. The supervisor and staff member shall undertake a formal mid- year performance assessment for each performance cycle based on the performance review. The review shall be recorded as a formal engagement between the supervisor and staff member.
- 6.2.11. The supervisor and staff member shall undertake an annual performance assessment for each performance cycle based on the performance agreement.
- 6.2.12. The criteria upon which the performance of staff member shall be assessed consist of two components: KPAs and job specific competencies. The staff member's performance shall be assessed against both components. KPAs covering the main areas of 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.
- 6.2.13. The supervisor and staff member shall conclude the annual performance assessment process as a formal engagement co-signed by supervisor and staff member. The annual performance assessment shall be regarded and signed by the supervisor and staff member.

6.3.PERFORMANCE AGREEMENT

- 6.3.1. A supervisor and staff member shall enter into a performance agreement for each performance cycle of the municipality.
- 6.3.2. The performance agreement of-
 - (a) a serving staff member shall be concluded within 30 days of the commencement of the new financial year of the municipality, and
 - (b) a staff member shall be concluded within 60 days of-
 - (i) his or her appointment after probation as from 1st 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.
- 6.3.3. It at any time during the period of the performance agreement, the responsibility of the staff member change to the extent that the performance plan in the performance agreement is no longer appropriate, the parties shall revise the performance agreement.
- 6.3.4. The performance agreement shall not diminish the obligations and duties of a staff member's employment contract, or any applicable regulations of municipal policy.
- 6.3.5. The performance agreement shall include a performance plan that contains –
 - (a) the name, job title and department of the staff member,
 - (b) the objectives or targets,
 - (c) the KPAs, weightings and the target date for meeting the PKA,
 - (d) the KPIs and the performance standard for each KPI,
 - (e) the name and definition of the job specific competencies, their weightings and expected level of capability for each competency,
 - (f) a personal development plan prepared as prescribed in terms of the skills training development policy, and

- (g) the process of monitoring and assessing performance, including the planned dates of assessment.

6.4. TEAM – BASED PERFORMANCE

- 6.4.1. The municipality shall establish team-based performance management and development system for category of staff below level of supervisor that will assist the municipality in managing probation, rewards, and skills development of staff members, which is consistent with principles under clause 6.1.
- 6.4.2. Before implementing the team – based performance management and development system, the municipality shall –
- (a) Pilot system on a team of staff members in all affected occupational teams, and
 - (b) consult the system with recognised trade unions within the Labour forum.

6.5.PERFORMANCE MONITORING AND REVIEW

- 6.5.1. The monitoring process shall involve a manager consistently measuring performance on job and providing ongoing feedback to staff members and teams on progress towards reaching staff member and team goals,
- 6.5.2. The monitoring of performance shall include conducting progress assessment with staff member and teams through one- on -one or team engagement sessions during which their performance is compared against predetermined performance standards.
- 6.5.3. The supervisor shall after coaching when required in order to reinforce effective performance or bring the performance of the staff member closer to the expected standards.
- 6.5.4. The performance of the staff member shall be reviewed at mid – year to assess the staff member or teams' progress toward 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.
- 6.5.5. The municipality may review the performance of a staff member at any other time and on an ongoing basis to offer coaching and feedback.

6.6.PERFORMANCE EVALUATION

- 6.6.1. The annual performance evaluation shall involve-
- (a) an assessment of the extent to which the staff member achieved the performance objectives and targets as outlined in the performance plan, which comprises:
 - (i) each competency assessed to determine the extent to which the specific standards or KPIs have been met,
 - (ii) the indicative ratings of the prescribed five-point scale under 6.6.2.
 - (iii) the rating assigned to each job specific competency is multiplied by the weight given to that competency to provide score for that competency.
- 6.6.2. The prescribed five rating scale below shall apply to all staff members:

Level	Terminology	Description
5	Outstanding performance	Performance far exceeds the standards 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 Performance Agreement/Plan and maintained this in all areas of responsibility.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved effective results against all significant performance criteria and indicators as specified in the Performance Agreement/ Plan.
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 Performance Agreement/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 Performance Agreement/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 performance criteria and indicators as specified in the Performance Agreement/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.

- 6.6.3. An overall rating shall be calculated by using the assessment rating calculated as provided Annexure A to this policy. Such overall rating represents the outcome of the performance appraisal.
- 6.6.4. The annual performance evaluation shall determine a performance rating for the performance cycle.
- 6.6.5. The staff member assessed, or a person designated in 6.6.6 below shall provide the supervisor with a portfolio of evidence relating to his or her KPAs for the entire performance cycle.
- 6.6.6. The maintenance and provision of the portfolio evidence to support the decision of the final score to each KPA and competency, shall be the responsibility of the staff member.
- 6.6.7. Despite 6.6.6 above, the municipal manager may exempt categories of staff from maintaining a portfolio of evidence in which case the municipality shall determine alternative mechanism or designate a staff member who will maintain portfolio of evidence of those staff members.
- 6.6.8. The evaluation of the performance of the staff member shall be conducted by all staff member's supervisor of his or her delegate.
- 6.6.9. The staff member's supervisor shall keep a record of all assessment meetings.
- 6.6.10. Personal growth and career development needs identified during any performance review or assessment, together with the actions and timeframes agreed to, shall be recorded in the staff member's personal development plan.
- 6.6.11. Once the annual performance evaluation has been concluded, the performance assessment reports and outcomes shall be subjected to departmental moderation processes in terms of this policy.

6.7.PERFORMANCE MODERATION

- 6.7.1. The municipal Manager shall establish departmental performance moderation committees, which shall be convened annually.
- 6.7.2. Performance moderation processes shall 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.
- 6.7.3. The departmental performance moderation committees shall be constituted as follows:
- The relevant heads of the departments, who shall act as chairperson in the committees,
 - all managers directly accountable to the head of the departments, who shall be recused from the committee before their assessment are considered by the committee,
 - a senior human resources functionary who will advise, guide, and provide support, including arrangements for secretarial services.
- 6.7.4. The purpose of the departmental performance moderation committee is to-
- conduct moderation of annual staff member performance results in order to ensure that the norms and standard for performance management and development systems are applied in a fair, realistic, and consistent manner across the departments,
 - assess and compare the performance and contribution of each staff member with his/her peers towards the achievement of departmental goals.
 - ensure fairness, consistency, and objectivity with regard to dispersal of performance recognition and ratings achieves for a common understanding amongst supervisor of the performance standards required at each level of the performance rating scale,

- (d) determine the cost implications for recognition of performance of all staff members within the departments,
 - (e) recommended the moderated performance scores for all staff members to the municipal moderating committee for approval,
 - (f) ensure that performance rewards are based on affordability,
 - (g) consider the impact of the performance assessment of financial rewards and options for various forms of recognition,
 - (h) recommended performance reward as well as remedial actions for performance considered to be below effective performance, and
 - (i) ensure that the integrity of the performance management and development system is protected.
- 6.7.5. The departmental moderation committee has reason to believe that any performance assessment by supervisor does not confirm to performance norms and standards or that there is lack of evidence or information to support performance ratings, the departmental moderation committee shall not regress, amend, or adjust the performance ratings of a staff member, but shall refer the assessment back to the staff member concerned.
- 6.7.6. Upon conclusion of the reassessment, the departmental moderation committee may reconvene to moderate the assessment of the staff concerned.
- 6.7.7. If the supervisor fails to reassess the staff member 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 staff member.
- 6.7.8. The affected staff member shall be consulted and be offered an opportunity to respond.
- 6.7.9. The municipal moderation committee shall be constituted as follows:
- (a) municipal manager, who shall act as chairperson of the committee,
 - (b) all heads of departments,
 - (c) head of municipal planning and organisational performance,
 - (d) head of municipal internal audit,
 - (e) a senior human resources functionary who will advise, guide, and provide support, including arrangements for secretarial services.
 - (f) a performance specialist, where applicable.
- 6.7.10. The purpose of the municipal moderation committee is to:
- (a) provide oversight over the staff member performance management and development system to ensure the performance management process is valid, fair and objective,
 - (b) moderate the overall performance assessment,
 - (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 reward subject to the affordability and the annual approved municipal budget in terms of section 16 of the Municipal Finance Management Act,
 - (f) recommend appropriate recognition for different levels of performance,
 - (g) recommend appropriate remedial actions for performance believed to be substandard,
 - (h) advice the municipality on recognition of performance including financial and non – financial rewards, where applicable,
 - (i) identify potential challenges in the performance management system and recommended appropriate solutions to the municipal manager,
 - (j) identify developmental needs for supervisor to improve the integrity of the performance management and development system, and
 - (k) consider any other matter that may be reconsidered relevant.

6.8.PERFORMANCE REWARDS

6.8.1. A performance related reward-

- (a) is at the discretion of the municipality, and
- (b) may be awarded to a staff member –
 - (i) who has served the full assessment period of 12 months of each financial year of a Municipality,
 - (ii) transferred or seconded horizontally during the performance cycle within the municipality,
 - (iv) who is on uninterrupted approved leave of 3 months or longer,
 - (v) who is on approved maternity leave for 3 months, and
 - (vi) who receive 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 a staff member –
 - (i) appointed after 01 July of that performance cycle,
 - (ii) who is serving probation as stipulated in this policy,
 - (iii) whose employment is for a fixed term duration of less than 12 months, or
 - (iv) whose post was upgraded without a change in performance agreement.

6.8.2. The municipality shall limit its spend on staff performance rewards to 1,5% of the annual salary and wage bill.

6.9.DISPUTES ABOUT PERFORMANCE AGREEMENT AND RATINGS

- 6.9.1. Any dispute about performance objectives or targets shall be mediated by the relevant head of department or 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.
- 6.9.2. A dispute relating to the conclusion on the performance agreement or an amendment to the performance agreement, shall 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.
- 6.9.3. A dispute contemplated in clause 6.9.2 shall be resolved within one month of the receipt of the dispute by head of the department, after-
 - (a) Considering the presentation from the staff member and his/her supervisor, and
 - (b) Consulting the head of human resources.
- 6.9.4. A staff member who is not satisfied with the outcome of procedure may lodge a dispute in terms of the dispute resolution mechanism of the SALGBC.

6.10. MANAGING SUBSTANDARD PERFORMANCE

- 6.10.1. A staff member who receives a performance rating below three in terms of the prescribed five points rating scale shall –
 - (a) be assisted in developing his/her competencies through training, and supervision, and
 - (b) develop a revised personal development plan with his/her supervisor.
- 6.10.2. The personal development plan shall contain at least-
 - (a) a description of the behaviour and skills that require improvement,
 - (b) a description of action that will be undertaken to improve the identified behaviour and skills that require improvement,
 - (c) the deadline for improvement,
 - (d) a schedule of meetings to assess improvement and provide feedback, and
 - (e) details of the potential consequences in the event that there is no improvement in performance.
- 6.10.3. The meetings to assess improvement and provide feedback shall be recorded in writing.

- 6.10.4. The personal development plan to manage performance improvement shall cover a maximum period of six months, at the end of which, a formal evaluation of performance shall take place.
- 6.10.5. The following alternatives shall 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 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.

6.11. PERFORMANCE MANAGEMENT OF STAFF MEMBERS WHO ARE ACTING IN POSTS

- 6.11.1. If a staff member is required to act in a post for a period that exceed three months, the supervisor to whom the acting staff member is reporting, shall review the KPAs and PKIs in consultation with the acting staff member, and include the KPAs and KPIs in the staff member's amended performance agreement.

6.12. ROLES AND RESPONSIBILITIES

6.12.1. The municipality shall –

- (a) create an enabling environment to facilitate effective performance by the staff member,
- (b) within the available resources, provided access to skills development and capacity building opportunities,
- (c) work with the staff member to resolve problems and generate solutions to common problems that may impact on the performance of the staff member.
- (d) on the request of a staff member delegate such powers reasonably required by staff member to enable him/her to meet the performance objectives and targets established in terms of the performance agreement,
- (e) within the available resources of the municipality, make available to the staff member reasonably require from time to time to assist the staff member to meet the performance objectives and targets established in terms of the performance agreement,
- (f) consult the staff member timeously where the exercising of the powers will have, among others –
 - (i) a direct effect on the performance of any of the staff member's function
 - (ii) commit the staff member to implement or to give effect to a decision made by the municipality, and
 - (iii) a substantial financial effect on the municipality.

6.12.2. A supervisor shall ensure that-

- (a) The annual performance plan's KPIs with regard to the municipality's development priorities and objectives are-
 - (i) linked to each department's objectives, and
 - (ii) the KPAs in the performance agreement of the staff member.
- (b) the KPAs of the staff member in a department serve to achieve all the department's objectives,
- (c) performance standards are specific, measurable, attainable, relevant, linked to the specific time periods and in line with the ability of the staff member,
- (d) a staff member signs a performance agreement as prescribed or as determined in accordance with the applicable procedure,
- (e) he/she monitor progress and measure performance of staff member,
- (f) he/she provides regular constructive feedback to the staff member,
- (g) he/she are available to support the staff member throughout the performance period.

6.12.3. The manager responsible for human resources of the staff member to whom this responsibility is delegated shall –

- (a) provide support to the annual performance management process,

- (b) provide guidelines on how to set KPAs and KPIs and their relevant targets,
- (c) communicate to all staff members the performance calendar for the forthcoming financial year,
- (d) facilitate training on performance management for new and existing staff members,
- (e) provide guidance on setting development plans,
- (f) consolidate the results of the performance process and ensure that identified development needs are incorporated into the annual training and development plan,
- (g) prepare reports on performance ratings and salary budget and expenditure for consideration by municipal council or a duly appointed committee for council,
- (h) communicate the performance assessment outcomes, including the final related bonuses.

6.12.4. A staff member shall –

- (a) Participate in setting his/her annual KPAs and KPIs,
- (b) enter into performance agreement annually with supervisor,
- (c) remain committed to the KPAs and KPIs throughout the performance period and be accountable for his/her performance,
- (d) take responsibility for his/her personal development and learning opportunities,
- (e) where applicable maintain a portfolio of evidence if required,
- (f) actively seek out and be open to feedback, and
- (g) know what is expected of him/her.

7. APPROVAL OF THE POLICY

The legislative powers to approve or review of this policy rests only with the municipal council.

8. POLICY COMMENCEMENT

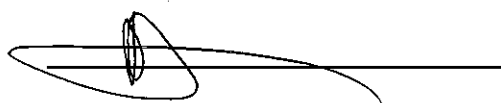
The policy will be effective from the date of approval by Council.

9. POLICY REVIEW

This policy shall be reviewed or amended after five years in order to always align with the latest developments.

Signed by:

Mayor: Cllr Zitha T



17/05/2024

Surname & Initials

Signature

Date

Council Resolution: CR164-17/05/24SP