

**PERFORMANCE MANAGEMENT
POLICY & PROCEDURE FOR EMPLOYEES
ON FIXED TERM CONTRACTS**

MANGAUNG MUNICIPALITY

AUGUST 2002

CONTENTS

	Page Number
Organisational Performance Management versus Individual Performance Management	2
Philosophy Underlying the Performance Management System	4
Objectives of the Performance Management System	5
The Performance Management Cycle	6
The Manager's Role in Performance Management	8
The Employee's Role in Performance Management	9
Employees Covered by the Performance Management System	10
The Documentation	10
Weighting and Scoring Performance	10
Core Competencies	11
Reviewing Performance	12
Link to Reward	13
The Link to Training and Development	13
The Link to Employment Equity	16
The Appeals Procedure	16
Managing Poor Performance	16
Training Courses for Managers	17

1. ORGANISATIONAL PERFORMANCE MANAGEMENT VERSUS INDIVIDUAL PERFORMANCE MANAGEMENT¹

The Municipal Systems Act 32 of 2000 requires that each Municipality establish a performance management system that is commensurate with its resources; best suited to its circumstances; and in line with the priorities, objectives, indicators and targets contained in its integrated development plan. It is required to promote a culture of performance management among its political structures, political office bearers and councillors and its administration.

The core components of this performance management system are as follows:

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

The local community is required to be involved in the development, implementation and review of the Municipality's performance management system, specifically in relation to the setting of appropriate key performance indicators and performance targets for the Municipality.

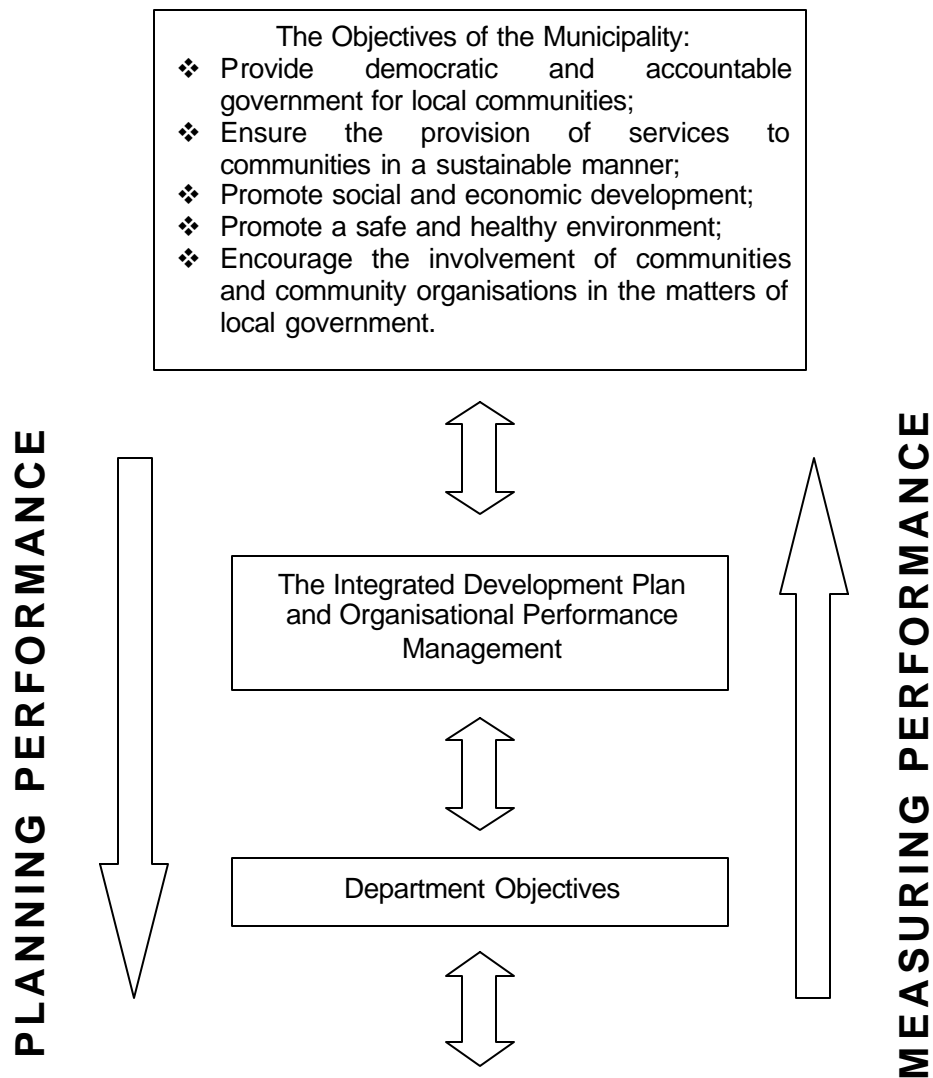
The above performance management is essentially concerned with the overall performance of the Municipality i.e. the development and monitoring of performance indicators and standards for the Municipality as a whole.

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

¹ Parts of this section are taken directly from the Municipal Systems Act 32 of 2000.

management system for the individual Employees within the Municipality. Thus each individual is given performance objectives, targets and standards that are linked to the objectives of his/her team, his/her department and ultimately the Municipality.

The diagram below illustrates the link between organisational performance management and individual performance management. Once organisational objectives and targets have been set it is possible to cascade these down to the relevant departments and individuals. In turn, the individuals and departments, by achieving their objectives and targets contribute towards the Municipality achieving the objectives and targets in its integrated development plan.



Individual Objectives and Individual Performance Management

This performance management policy and procedure document is concerned with planning and measuring the individual performance of Employees on fixed term contracts within the Municipality. If each Employee achieves his/her performance objectives, which are linked to the department's objectives, which are in turn linked to the Integrated Development Plan, then the Municipality will ultimately achieve its organisational performance objectives. The reporting requirements as stipulated in the Municipal Systems Act, the involvement of the community in setting performance indicators etc. needs to occur at an organisational performance management level. Individual performance management occurs at the level of the working relationship that exists between the Employee and his/her Manager.

2. PHILOSOPHY UNDERLYING THE PERFORMANCE MANAGEMENT SYSTEM

A number of key issues were taken into consideration when developing this a performance management system:

- ❖ There is a need for clarity regarding the strategy and objectives of the Municipality so that these can be used to determine the objectives for each Employee.
- ❖ Channels for promoting two-way communication between the Manager and the Employee should be created.
- ❖ Performance management is concerned as much with managing individual performance as it is with developing people and providing learning opportunities through the process of planning, coaching and reviewing performance.
- ❖ The performance management system, in order to be successful, must be driven by Managers.

- ❖ The political structure is involved in the performance management system to the extent that they ensure that it is successfully implemented into the Municipality.
- ❖ Performance management is an ongoing process not a once a year event of conducting a performance review.
- ❖ It is ultimately a process to ensure the achievement of individual objectives which are linked to organisational objectives, the building up of knowledge, skills and competencies of Employees and a way to increase the day-to-day effectiveness of the Municipality.

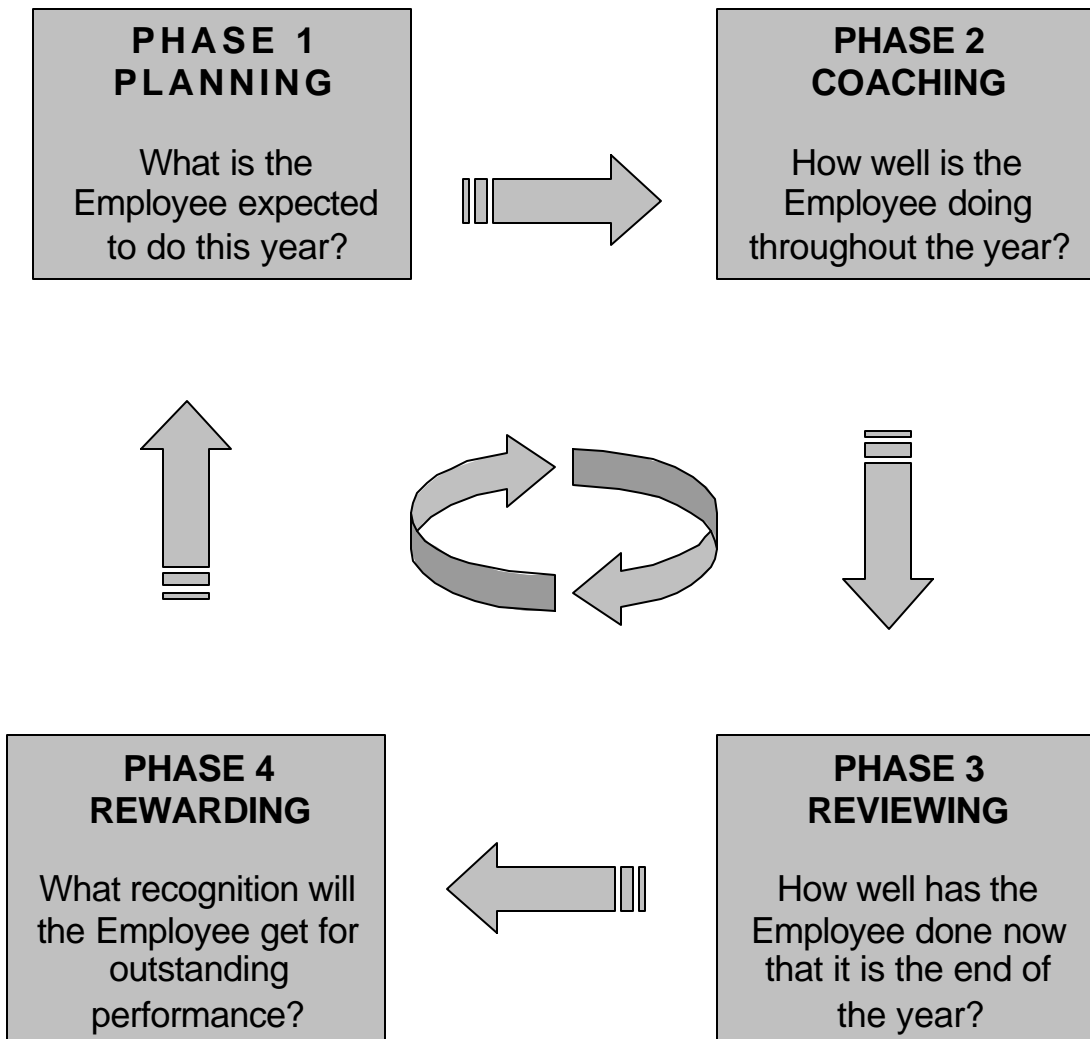
3. OBJECTIVES OF THE PERFORMANCE MANAGEMENT SYSTEM

The objectives of implementing the Performance Management System into Mangaung are as follows:

- ❖ Achieve sustainable improvements in service delivery to the community.
- ❖ Develop constructive and open relationships between Managers and Employees.
- ❖ Encourage and reward good performance
- ❖ Manage and improve on poor performance
- ❖ Link the Integrated Development Plan to team and individual performance
- ❖ Enable individuals to develop their abilities, increase their job satisfaction and achieve their full potential so that both the Employee and the Municipality benefit
- ❖ Fulfil the requirements of the Municipal Systems Act 32 of 2000.

4. THE PERFORMANCE MANAGEMENT CYCLE

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



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

PHASE	TIMING	ACTIVITIES
PLANNING	July each year i.e. beginning of financial year	<ol style="list-style-type: none"> 1. Manager to schedule meeting with Employee to agree performance objectives for the year. 2. Both the Manager and the Employee are required to prepare for this meeting. 3. Manager and Employee to sign the Performance Agreement.
COACHING	Ongoing throughout the year	<ol style="list-style-type: none"> 1. Manager to create both formal and informal opportunities to provide feedback to the Employee on his/her performance against the agreed objectives. 2. Employees to ask for feedback and assistance when required.
REVIEWING	<p>December of each year – mid year review</p> <p>June of each year – final review</p>	<ol style="list-style-type: none"> 1. Manager to set up formal mid-year review in December to assess the relevance of the objectives and the Employee’s performance against the objectives. 2. Manager to set up a formal final review in June. <p>The process for reviewing performance is as follows:</p> <ol style="list-style-type: none"> 3. Manager to request input from “customers” on the Employee’s performance throughout the year. 4. Employee to submit all required “evidence” to the Manager. 5. Manager to prepare scores of Employee’s performance against agreed objectives as a result of the evidence and “customer” input. 6. Manager to ask Employee to prepare for formal review by scoring him/herself against the agreed objectives. 7. Manager and Employee to meet to conduct formal performance review and agree final scores. It may be necessary to have two meetings i.e. give Employee scores and allow him/her time to consider them before final agreement. Where an Employee and Manager disagree on the score, the Manager’s decision is final. 8. Manager and Employee to prepare and agree learning plan – this only needs to be done at the final review in June and not at the mid-year review.
REWARDING	Reward in July of each year	<ol style="list-style-type: none"> 1. Results of the performance reviews should be submitted to the City Manager so that the financial impact of reward on the municipality can be determined. 2. Once financial rewards have been approved, Manager to set up meeting with the Employee to give feedback on the link to reward as a result of the review.

5. THE MANAGER'S ROLE IN PERFORMANCE MANAGEMENT

The Manager's role in the Performance Management Process includes:

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

To be successful in managing performance the Manager needs to:

- ❖ Communicate the Municipality's strategic objectives and the department goals to Employees, and show them how their work contributes to the success of the Municipality.
- ❖ Ensure that Employees know what is expected of them and why.
- ❖ Help Employees to set challenging but realistic objectives and work with Employees to help them achieve these objectives.
- ❖ Identify knowledge, skills and behaviours needed by the Employee to achieve the objectives and performance standards that have been set.

- ❖ Conduct a mid-year review with the Employee to ensure that the objectives are still relevant and to assess the Employee's progress to date against the objectives.
- ❖ Complete an individual learning plan together with the Employee that caters for the Employee's specific developmental needs in relation to the Municipality.
- ❖ Create a climate that encourages Employees' natural motivation. A Manager must be aware of how his/her management style impacts on the way it "feels" to work in his/her department.

6. THE EMPLOYEE'S ROLE IN PERFORMANCE MANAGEMENT

The Employee must take an active role in the performance management process.

The Employee's role includes:

- ❖ Suggesting challenging but realistic objectives that will support the Municipality's strategies and department goals.
- ❖ Taking responsibility for the standard of their performance by trying to improve and develop themselves;
- ❖ Developing and implementing action plans so that they can achieve their objectives.
- ❖ Asking their Manager for information, help or advice to assist them in meeting their objectives.
- ❖ Asking for feedback from others, including their Manager so that they can monitor their own performance.
- ❖ Making suggestions on how they can improve on their performance.

- ❖ Keeping their Manager informed about how well they are doing in relation to their objectives.
- ❖ Keeping their Manager informed of any problems or potential problems which may affect their ability to achieve some or all of their objectives and performance standards.

7. EMPLOYEES COVERED BY THE PERFORMANCE MANAGEMENT SYSTEM

This policy and procedure covers those employees within Mangaung Municipality who are on a fixed term contract and whose performance is linked to financial reward.

8. THE DOCUMENTATION

Employees on fixed term contracts are required to sign a Performance Agreement. A sample of such a document is attached as Annexure 1.

9. WEIGHTINGS AND SCORING PERFORMANCE

Weightings show the relative importance of one objective against another objective. Every objective in the performance agreement must be assigned a weighting. The total of the weightings on the performance agreement must add up to 100 points. An important objective may, for example, be assigned a weighting of 25 out of the total of 100 whereas a less important objective may be assigned a weighting of 10 out of 100. The purpose of the weightings is to show Employees what the key focus areas are in their work. If an objective has a higher weighting than any of the other objectives, then the Employee will know that this is a key objective in terms of being successful in his/her work.

100 percent of the weightings are allocated to the objectives. The key focus in these positions is on delivery and achieving results. No weightings are allocated to inputs i.e. for knowledge, skills and behaviours. These are rated separately for developmental purposes only. Employees at this level in the organisation are expected to bring the necessary inputs (skills, knowledge and behaviours) to the job.

10. CORE COMPETENCIES

Every Employee, no matter at what level or within what function, is required to demonstrate a number of behaviours and skills that are considered core to achieving the objectives of the Municipality. The competencies represent behaviours that, when displayed by Employees, will contribute to outstanding performance within the Municipality.

Competency	Definition
Customer Service	Whether providing a service to an internal or external customer this means trying to find out what the needs of the customer are and then meeting these needs. At a minimum Employees are required to react to customer needs by following up on queries, keeping promises, being honest in all their dealings, adhering to the policies, procedures and delegations of Council, keeping the customer up to date, being friendly and helpful and solving problems quickly and without argument. Ideally all Employees, especially those at a management/supervisory level are required to be proactive by trying to understand the underlying needs of the customer and providing an appropriate service based on these underlying needs.

Competency	Definition
Teamwork	In order to be successful and to meet our service delivery requirements it is essential that all Employees co-operate and communicate with each other. This is measured by the extent to which an Employee does his/her share of the work; helps out in times of crisis, supports decisions taken by the Municipality, makes an effort to communicate with team members so that he/she knows what is going on in other areas besides his/her own and provides information to others on what he/she is doing. At a Management/Supervisory level Employees are required to facilitate a friendly working environment where co-operation is encouraged, where conflicts are resolved quickly and amicably and where information is communicated so that there is a common knowledge and understanding of Municipality activities.
Service Delivery	This is about wanting to work well to achieve a high standard by trying to improve on the way things are done and by working towards achieving the work objectives. It is also about putting plans into action, meeting deadlines, taking initiative and solving problems to make sure that things get done. Employees do not wait to be told to do something but rather are encouraged to use their initiative to make sure that things get done accurately and efficiently.
Ethics	This is about being open, transparent and honest in all dealings. It is about keeping promises that you make and about working within the policies, procedures and authorised delegations of Council.
Leading Teams	This is about how a manager leads a group of people so that they work well together as a team. This means holding regular meetings (that have set agendas and objectives) with his/her team so that information can be shared and so that the team is aware of decisions that may affect them. It involves sharing out the workload so that team members' skills are used appropriately and so that the work is evenly spread amongst team members. It involves making sure that the team has the necessary tools and resources in order to do their work. It involves motivating the team so that they are committed to achieving the goals of the department and ultimately the municipality.

11. REVIEWING PERFORMANCE

Two review sessions are held as follows:

1. A mid year review is conducted in December to assess the relevance of the objectives as well as the Employee's performance against the objectives.
2. A formal final review is conducted at the end of the financial year i.e. in June. The final performance score is used to determine the link to financial rewards. A learning plan for the Employee must be developed at the end of the final review.

The Manager conducts the performance review meeting with the Employee. He/she should ideally first obtain input from various "customers" on how they rate the Employee in specific aspects. This may be done through discussion or by asking "customers" to complete a rating form to submit to the Manager for consideration. "Customers" are people from **within** the Municipality who are able to comment on the Employee's performance since they have worked closely with him/her on some or all aspects of his/her job.

12. THE LINK TO REWARD

In order to encourage high standards of performance it is recognised that outstanding performance should be rewarded.

Employees who have signed fixed term contracts and performance agreements and who obtain high scores on their performance agreements are eligible to receive some form of financial reward as outlined in the Performance Reward Scheme of the Municipality.

13. THE LINK TO TRAINING & DEVELOPMENT

Every Employee is required to have an individual learning plan (ILP) that is prepared at the end of the formal performance review. These plans should form a key part of the skills development planning process. Individual learning plans

provide the opportunity for Managers and Employees to jointly identify training and development needs in order to improve job performance and to support individual development.

The individual learning plan, which must be completed annually, records the actions agreed to improve performance and to develop skills and competencies. It must be developed to improve the ability of the Employee in their current job but also to enable Employees to take on wider responsibilities and extend their capacity to undertake a broader role where appropriate. Where applicable it should also contribute to enhancing the potential of individuals to carry out higher level jobs. This plan therefore contributes to the achievement of continuous development of Employees within the Municipality. Managers are encouraged to use development activities other than training courses when preparing the learning plan. Such development activities may include:

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

- ❖ Delegation of an aspect of the Manager's/Suypervisor's work to the Employee to stretch the Employee.

Individual Learning Plans

Individual learning plans will systematise the Municipality's approach to training and development by ensuring that all Employees' training is carefully planned. The main benefits of individual learning plans are that they:

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

Guidelines for Employee Development

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

- ❖ Encourage Employees to take an active role. Discussions should be Employee-driven.
- ❖ Look at how to maximise the use of Employees' strengths and talents.
- ❖ Focus on development in current job.

- ❖ Use task forces and special projects as opportunities for development in particular areas.
- ❖ Attempt to understand Employee's motivation and interests.
- ❖ Be realistic regarding advancement opportunities.
- ❖ Create mentor relationships where appropriate.
- ❖ Consider lateral transfers for Employee development purposes.
- ❖ Tie training programs to individual development.
- ❖ Follow-up periodically throughout the year.

14. THE LINK TO EMPLOYMENT EQUITY

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

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

15. THE APPEALS PROCEDURE

Should Employees not agree with the contents of their performance agreement after the planning discussion or with the final scores that are allocated to them by

their Manager after the review discussions, they may elect to follow the dispute procedure as outlined in the Performance Agreement.

16. MANAGING POOR PERFORMANCE

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

The Municipality should have a “Managing Poor Performance” policy as part of its Labour Relations policy and this should include the following key stages:

1. Identifying whether the Employee is failing to meet the required performance standard;
2. Assisting the Employee in the form of training, guidance, etc required to render satisfactory service, together with a fair opportunity to improve;
3. Providing for a fair hearing in terms of the Municipality’s disciplinary procedure, which must precede dismissal, if performance fails to improve.
4. The following issues should be taken into consideration when considering a dismissal for poor work performance (incapacity):
 - ❖ Did the Employee fail to meet a performance standard?
 - ❖ Was the Employee aware or should he/she have been aware of the required performance standard?
 - ❖ Was the Employee given a fair opportunity to meet the required standard?
 - ❖ Is dismissal the appropriate sanction?

17. TRAINING COURSES FOR MANAGERS

All Managers should ideally be required to attend the training courses to ensure that they are equipped with the necessary skills to effectively manage their performance and that of their staff.

1. The Manager as Coach: This is an important training course for all managers to attend as it is concerned with equipping Managers with coaching skills to effectively manage performance i.e. to give positive feedback when required, to review Employee's progress against the objectives and to correct performance that is below the required standard.
2. Conducting the Performance Review: This is a training course designed to equip Managers with the skill of effectively conducting the formal performance review, of drawing up effective learning plans and rewarding outstanding performance appropriately.

PERFORMANCE AGREEMENT

Made and entered into by and between:

the Municipal Manager of the Mangaung Municipality
("the Municipal Manager")

and

the Manager reporting to the Municipal Manager
("the Manager")

1. INTRODUCTION

- 1.1 The Municipality has entered into a contract of employment with the Manager for a period of _____ years, ending on _____, in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 (“the Systems Act”).
- 1.2 Section 57(1)(b) of the Systems Act, read with the contract of employment concluded between the parties, requires the parties to conclude an annual performance agreement.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Manager reporting to the Municipal Manager, to a set of actions that will secure local government policy goals.

2. PURPOSE OF THIS AGREEMENT

- 2.1 The parties agree that the purposes of this Agreement are to:
- 2.2 comply with the provisions of Section 57(1)(b) of the Systems Act;
- 2.3 state objectives and targets established for the Manager;
- 2.4 specify accountabilities;
- 2.5 monitor and measure performance;

- 2.6 establish a transparent and accountable working relationship; and
- 2.7 give effect to the Municipality's commitment to a performance-orientated relationship with its Managers reporting to the Municipal Manager in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the date of signature by both parties, which will be as soon as reasonably possible after 1 July 2002, and, subject to paragraph 3.3, will continue in force until a new performance agreement is concluded between the parties as contemplated in paragraph 3.2.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new performance agreement that replaces this Agreement at least once a year by not later than July each year.
- 3.3 This Agreement will terminate on the termination of the Manager's contract of employment for any reason.

4. PERFORMANCE OBJECTIVES

- 4.1 Annexure "A" sets out:

- 4.1.1 The performance objectives and targets that must be met by the Manager;
and
- 4.1.2 the time frames within which those performance objectives and targets must
be met.
- 4.2 The performance objectives and targets reflected in Annexure “A” are set by the
Municipal Manager in consultation with the Manager, and include key objectives; key
performance indicators; target dates and weightings.
- 4.3 The key objectives describe the main tasks that need to be done. The key performance
indicators provide the details of the evidence that must be provided to show that a key
objective has been achieved. The target dates describe the timeframe in which the work
must be achieved. The weightings show the relative importance of the key objectives to
each other.
- 4.4 The Manager’s performance will, in addition, be measured in terms of contributions to
the goals and strategies set out in the Municipality’s Integrated Development Plan.
- 4.5 The Municipality will make available to the Manager such Employees as the Manager
may reasonably require from time to time to assist him to meet the performance
objectives and targets established in terms of this Agreement; provided that it will at all
times remain the responsibility of the Manager to ensure that he complies with those
performance obligations and targets.

- 4.6 The Manager will at his request be delegated such powers by the Municipality as may in the discretion of the Municipality be reasonably required from time to time to enable him to meet the performance objectives and targets established in terms of this Agreement.
- 4.7 The Municipal Manager will be entitled to review and make reasonable changes to the provisions of Annexure “A” from time to time for operational reasons. The Manager will be fully consulted before any such change is made.
- 4.8 The provisions of Annexure “A” may be amended by the Municipal Manager when the Municipality’s performance management system is adopted, implemented and/or amended as the case may be.

5. EVALUATING PERFORMANCE

5.1 Annexure “A” to this Agreement sets out:

- 5.1.1 the standards and procedures for evaluating the Manager’s performance;
and
- 5.1.2 the intervals for the evaluation of the Manager’s performance.

5.2 Despite the establishment of agreed intervals for evaluation, the Municipal Manager may, in addition, review the Manager’s performance at any stage while the contract of employment remains in force.

- 5.3 Personal growth and development needs identified during any performance review discussion must be documented and, where possible, actions agreed.

6. PERFORMANCE MANAGEMENT SYSTEM

- 6.1 The Manager agrees to participate in the performance management system that the Municipality adopts or introduces for the Municipality, management and municipal staff of the Municipality.
- 6.2 The Manager accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Municipality, management and municipal staff to perform to the standards required.
- 6.3 The Municipal Manager will consult the Manager about the specific performance standards that will be included in the performance management system as applicable to the Manager.

7. CONSULTATION

- 7.1 The Municipal Manager agrees to consult the Manager timeously where the exercising of the Municipal Manager's powers will –

- 7.1.1 have a direct effect on the performance of any of the Manager's functions;

7.1.2 commit the Manager to implement or to give effect to a decision made by the Municipal Manager;

7.1.3 have a substantial financial effect on the Municipality.

7.2 The Municipal Manager agrees to inform the Manager of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 7.1 as soon as is practicable to enable the Manager to take any necessary action without delay.

8. CONSEQUENCE OF SUBSTANDARD PERFORMANCE

8.1 Where the Municipal Manager is, at any time during the Manager's employment, not satisfied with the Manager's performance with respect to any matter dealt with in this Agreement, the Municipal Manager will give notice to the Manager to attend a meeting with the Municipal Manager.

8.2 The Manager will have the opportunity at the meeting to satisfy the Municipal Manager of the measures being taken to ensure that the Manager's performance becomes satisfactory and any programme, including any dates, for implementing these measures.

8.3 Where there is a dispute or difference as to the performance of the Manager under this Agreement, the parties will confer with a view to resolving the dispute or difference.

8.4 If at any stage thereafter the Municipal Manager holds the view that the performance of the Manager is not satisfactory, the Municipality will, subject to compliance with

applicable labour legislation, be entitled by notice in writing to the Manager to terminate the Manager's employment in accordance with the notice period set out in the Manager's contract of employment.

- 8.5 Nothing contained in this Agreement in any way limits the right of the Municipality to terminate the Manager's contract of employment with or without notice for any other breach by the Manager of his obligations to the Municipality or for any other valid reason in law.

9. DISPUTES

- 9.1 In the event that the Manager is dissatisfied with any decision or action of the Municipal Manager or of the Municipality in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Manager has achieved the performance objectives and targets established in terms of this Agreement, the Manager may meet with the Municipal Manager with a view to resolving the issue. At the Manager's request the Municipal Manager will record the outcome of the meeting in writing.

- 9.2 In the event that the Manager remains dissatisfied with the outcome of that meeting, he may raise the issue in writing with the Municipality's [Executive] Mayor. The [Executive] Mayor will determine a process for resolving the issue, which will involve at least providing the Manager with an opportunity to state his case orally or in writing. At the Manager's request the [Executive] Mayor will record its decision on the issue in writing. The decision of the [Executive] Mayor on the issue will be made within 2 weeks of the issue being raised, or as soon thereafter as possible, and will be final.

10. GENERAL

- 10.1 The contents of the Agreement and the outcome of any review conducted in terms of Annexure “A” will not be confidential, and may be made available to the public by the Municipality, where appropriate.
- 10.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Manager in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

Signed at _____ on this _____ day of

_____ 2001.

AS WITNESSES:

1.

2.

**The Municipal Manager of the Mangaung
Municipality**

Signed at _____ on this _____ day of

_____ 2001.

AS WITNESSES:

1.

2.

Manager

PERFORMANCE PLAN

(Job Title)

This plan defines the Council's expectations of the Manager in accordance with the Manager's performance agreement to which this document is attached and Section 57 (5) of the Municipal Systems Act which provides that performance objectives and targets must be based on the key performance indicators set out from time to time in the Municipality's Integrated Development Plan.

There are 8 parts to this plan:

1. A statement about the purpose of the position
2. Score card detailing key objectives and their related performance indicators, weightings and target dates
3. Information about the knowledge, skills and behaviours required to perform the job
4. Performance review procedure
5. Consolidated score sheet
6. Link to reward
7. Individual learning plan
8. Control sheet

The period of this plan is from 1 July 200- to 30 June 200-

Signed and accepted by the *(insert job title)*

Signed by the City Manager on behalf of Council:

1. Position Purpose

--

2. Scorecard

Key Objectives	Weighting	Target Date	Key Performance Indicators/Standards	Evidence	Score
1.					
2.					
3.					
4.					
5.					

3. Knowledge, Skills and Behaviours

The ratings attached to this section will not impact on the final performance score but will assist in identifying areas of development for inclusion in the individual learning plan.

1	2	3	4	5
Performance clearly below acceptable level.	Performance is competent in some aspects, but shows need for improvement in other aspects.	Fully competent performance.	Noticeably better than competent performance.	Distinguished performance, obvious to all.

Knowledge, Skills and Behaviours	Description / Definition	Comments / Observations	Rating				
			1	2	3	4	5
KNOWLEDGE							
Local Government environment and legal requirements	This includes a working knowledge of Council Regulations, By Laws and Policies, National, Provincial and Local Government Structures and applicable legislation including the Finance Management Act, Municipal Structures Act and Municipal Systems Act, Administrative Justice Act and Access to Information Act.						
SKILLS							
Computer Literacy	Skills required to use office based computer equipment (terminals, printers, PCs) in order to do one's job. This may include word processing, developing and working with spreadsheets and creating reports.						
Report Writing	Skills required to write complex reports by collecting and presenting relevant information and tailoring the report to the requirements of the reader.						
Budgeting	Skills required to manage projects and/or department work within the constraints of a budget. This includes being able to plan a budget at the beginning of the financial year, controlling costs throughout the year by allocating resources appropriately and understanding and anticipating the impact of other departments on own budget and adapting where necessary.						

Knowledge, Skills and Behaviours	Description / Definition	Comments / Observations	Rating				
			1	2	3	4	5
Negotiation Skills	Skills required to negotiate favourable deals for the Municipality by preparing for negotiations which require a risk analysis to be conducted since the outcome is not necessarily predictable. This includes applying skills and techniques of negotiating that show an understanding of the other parties needs and agenda.						
Planning & Organising	Skills required to plan and organise an activity so that a specific goal is achieved. This requires setting priorities and allocating time and resources. It involves being aware of the interrelationships among activities in a project and then planning tasks and resource allocation accordingly. It requires being able to work effectively under short deadlines.						
BEHAVIOURS							
Customer Service	Whether providing a service to an internal or external customer this means trying to find out what the needs of the customer are and then meeting these needs. At a minimum employees are required to react to customer needs by following up on queries, keeping promises, keeping the customer up to date, being friendly and helpful and solving problems quickly and without argument. Ideally all employees, especially those at a management level are required to be proactive by trying to understand the underlying needs of the customer and providing an appropriate service based on these underlying needs.						
Teamwork	In order to be successful and to meet our service delivery requirements it is essential that all employees co-operate and communicate with each other. This is measured by the extent to which an employee does his/her share of the work; helps out in times of crisis, supports decisions taken by the municipality, makes an effort to communicate with team members so that he/she knows what is going on in other areas besides his/her own and provides information to others on what he/she is doing. At a management level employees are required to facilitate a friendly working environment where co-operation is encouraged, where conflicts are resolved quickly and amicably and where information is communicated so that there is a common knowledge and understanding of municipality activities.						
Service Delivery	All employees are required to set goals and to achieve these goals so that the overall objectives of the municipality can be met. They are also required to look for new and better ways of doing things in order to improve speed, efficiency, quality, service and/or cost effectiveness. This involves setting goals, preparing plans to achieve these goals, implementing the plans and monitoring progress against these plans.						

Knowledge, Skills and Behaviours	Description / Definition	Comments / Observations	Rating				
			1	2	3	4	5
Ethics	This is about being open, transparent and honest in all dealings. It is about keeping promises that you make and about working within the policies, procedures and authorised delegations of Council.						
Leading Teams	This is about how a manager leads a group of people so that they work well together as a team. This means holding regular meetings (that have set agendas and objectives) with his/her team so that information can be shared and so that the team is aware of decisions that may affect them. It involves sharing out the workload so that team members' skills are used appropriately and so that the work is evenly spread amongst team members. It involves making sure that the team has the necessary tools and resources in order to do their work. It involves motivating the team so that they are committed to achieving the goals of the department and ultimately the municipality.						

4. Performance Review Procedure

1. A formal performance review occurs once a year in June, before the end of the financial year.
2. City Manager to request input from “customers” on the Manager’s performance throughout the review period. This may be done through discussion or by asking “customers” to complete a rating form to submit to the City Manager for consideration. Customers are people who are able to comment on the Manager’s performance since they have worked closely with him/her on some or all aspects of his/her job.
3. City Manager to prepare ratings of Manager’s performance against objectives as a result of his/her evidence and “customer” input.
4. City Manager to ask Manager to prepare for formal review by rating him/herself against the agreed objectives.
5. City Manager and Manager to meet to conduct formal performance rating and agree final scores. It may be necessary to have two meetings i.e. give Manager scores and allow him/her time to consider them before final agreement. In the event of a disagreement, the City Manager has the final say with regard to the final score that is given.
6. Initially the scoring should be recorded on the scorecard then transferred onto the consolidated score sheet.
7. Deadline dates that have been met should be marked alongside with a **4**.
8. Deadline dates that have not been met should be marked alongside with a **6**.
9. Performance Indicators that have been supplied as evidence of achieving an objective should be marked alongside with a **4**.
10. Performance Indicators that have not been supplied as evidence of achieving an objective should be marked alongside with a **6**.
11. Any reasons for non-compliance should be recorded during the review session.
12. The City Manager should make his/her own notes during the formal review meeting and should assign a score in relation to the weighting assigned to a specific objective. E.g. should a specific objective have been assigned a weighting of 10 points and the objective was achieved then the score allocated would be 10. However, should the objective not have been achieved at all or no satisfactory evidence is provided then a score of 0 would be allocated.
13. Only those items relevant for the review period in question should be scored.
14. City Manager and Manager to prepare and agree individual learning plan and to set new objectives, targets, performance indicators, weightings and dates etc for the following financial year.
15. Poor work performance will be dealt with in terms of the incapacity procedure as outlined in the applicable Labour Legislation.

5. Consolidated Score Sheet

Key Objective	Weighting	Municipal Manager's Rating	Manager's Rating	Final / Consolidated Score	Reason for Final Score
1					
2					
3					
4					
5					
Total:	100	Final Score			

6. Link to Reward

The Manager's performance will be rewarded according to the Performance Reward Scheme of the Municipality.

7. INDIVIDUAL LEARNING PLAN (ILP)

Manager's Name: _____ Manager's Employee Number: _____
 Job Title: _____ Department: _____
 City Manager: _____ Date: _____

Skills / Performance Gap	Outcomes Expected	Suggested training and / or development activity	Suggested mode of delivery	Suggested Time Frames	Work opportunity created to practise skill / development area	Support Person
1.						
2.						
3.						
4.						
5.						

Manager's Signature: _____

City Manager's Signature: _____

8. PERFORMANCE PLAN CONTROL SHEET - TO BE UPDATED BY CITY MANAGER

PLANNING PHASE

Date of 1st planning meeting: _____
Date copy of performance plan handed to Manager: _____

Date of 2nd Planning meeting: (if applicable) _____
City Manager's name: _____

COACHING PHASE

Keep a record of meetings held to give feedback to the Manager on performance related issues.

Date Of Feedback Meeting

Performance Issue Discussed And Corrective Action To Be Taken

Date Of Feedback Meeting	Performance Issue Discussed And Corrective Action To Be Taken
Date of formal half year review:	

REVIEWING PHASE

Date Manager notified of formal review meeting:

Date of 1st review meeting:

Date of 2nd Review meeting: (if applicable) _____

City Manager's name: _____
