

SEPARATE COVER

SA26/2005

Revised A10/2010

PERFORMANCE MANAGEMENT: DRAFT POLICY

SA26/2005

PERFORMANCE MANAGEMENT: DRAFT POLICY (5/3/8) (AMM)
(ANNEXURES: SEPARATE COVER) (5/3/24)

PURPOSE

To submit the Draft Performance Management Policy to Council for adoption.

COUNCIL RESOLVED (16 AUGUST 2005)

That Council adopts the Draft Performance Management Policy as the Policy of Council in consideration with the following additions on page 7 of the Separate Cover:

1. Very Poor
2. Poor
3. Average
4. Above Average
5. Excellent

1

First Draft

Of

The Performance Management Policy

For

Matjhabeng Municipality

Table of contents

1. Introduction.....	4
2. Purpose.....	4
3. Goals.....	4
4. Scope.....	5
5. <u>Performance management system guidelines</u>	5
5.1 Principles.....	5
5.2 General.....	6
5.3 Performance Management Model.....	7
5.4 PMS Process Inputs.....	7
5.5 Preparation for Contracting.....	8
5.6 Performance Contracting.....	9
5.7 Performance Review.....	9
5.8 Performance Appraisal.....	10
5.9 360 Degree Stakeholder Review.....	11
5.10 Development Planning.....	11
5.11 Performance improvement Program (PIP).....	12
6. <u>Process Management</u>	13
6.1 Administration.....	13
6.2 Monitoring.....	13
6.3 Evaluation.....	14
6.4 PMS Grievance process.....	14
6.5 Training and development.....	14
6.6 Professional Support.....	15
7. <u>PMS Implementation</u>	16
7.1 Responsibility.....	16

7.5.1 Manager	16
7.5.2 Employees.....	16
7.5.3 Human Resources Business Unit.....	16
7.2 Accountability.....	17
7.3 Policy Distribution.....	17
7.4. Policy Filing.....	17
7.5 Policy Access	17
8. Policy review.....	18
9. Attachment	18

1. Introduction

Performance Management is a tool to help institutions to execute their strategy. It also engenders a culture of performance, which drives transformation. It enables the process of achieving the municipal strategic objectives, as set out in Integrated Development Plan (IDP), through regular review of performance against agreed performance objectives and targets. The performance targets are set to suit the requirements of the council. Performance management helps to align the individual and organisation goals.

It is important for a performance management process to be perceived as fair, confidential, and legitimate by all Employees. The performance management system should be aligned with the strategy, business plans and the organisations monitoring and measurement processes.

This document outlines the policy for the implementation of performance management for Matjhabeng Municipality.

2. Purpose

The improvement of Matjhabeng municipality performance through the effective management of municipal resources i.e. people, time, assets and capital.

3. Goals

This policy is implemented in order to achieve the following organisational goals

- ◆ To Achieve Municipal IDP targets
- ◆ To facilitate for consistent service delivery
- ◆ To facilitate for people development
- ◆ To manage under-performance in a firm and constructive manner
- ◆ To enable the execution of the municipal IDP
- ◆ To foster an alignment to the services act and its requirements
- ◆ To foster a culture of continuous improvement

4. Scope

The performance management system will apply to all jobs or roles within the Municipality i.e.

Roles

- ◆ Political structures
- ◆ Councillors
- ◆ Administration staff
- ◆ Departmental Labour Force

Functions

- ◆ All functions specified by the systems act that is performed by the municipality e.g. Human resources, Credit control, etc.

The performance management system should cover all the steps and activities executed in the performance management process.

5. Performance management system guidelines

5.1 Principles

- ◆ Performance management is implemented fairly
- ◆ PMS must be aligned with the municipal strategy (IDP)
- ◆ The targets should be Measurable attainable but challenging
- ◆ All performance agreements are based on mutual agreement
- ◆ Encourage maximum stakeholder participation that is aligned with systems act requirements
- ◆ The performance management processes will be conducted with integrity
- ◆ The performance management system subscribes to the values espoused in the code of conduct and municipal values
- ◆ All PMS discussions are confidential
- ◆ All performance management activities are aligned with other functional policies of the council

5.2 General

This is the specification of the overall guidelines that drive the performance management system

- ◆ Human resources will provide professional support for the implementation and utilisation of PMS
- ◆ The performance cycle, duration of performance agreement, will coincide with the financial business cycle i.e. budgeting, IDP, etc.
- ◆ There will be a minimum of three performance reviews in a performance cycle
- ◆ There will be one performance appraisal in a performance cycle
- ◆ The PMS policy will be formulated and implemented in relation with all Human Resource and other relevant legislation
- ◆ Implementation of the policy is the responsibility of political officers, councillors, administration management, and the appointed service provider
- ◆ The outputs of a performance management policy will serve as input into other human resource policies or any other specified systems act requirements
- ◆ The outputs of the performance management policy will be specifically used in deciding on Promotion, Salary Increase; Performance based compensation, and performance based employee termination.
- ◆ The input of the performance management system will be defined based on IDP, performance targets from the IDP, job models, and any relevant legislation.
- ◆ The relevant superior will conduct a performance review or appraisal, before transferring an employee out of their department or function
- ◆ All employees will participate in the performance management processes
- ◆ All roles, functions and jobs within the municipality will be judged on the basis of their contribution to the organisation IDP performance targets
- ◆ All employees who are less than or equal to three months in the employ of the municipality and at the end of the performance cycle will have reviews to close their performance cycle

- ◆ Information not shared with the individual concerned cannot be used to form a performance evaluation about the individual.
- ◆ All performance will be evaluated based on a rating system described as follows:

- 1:
- 2:
- 3:
- 4:
- 5:

- ◆ All performance will be measured against four dimensions:

- Delivery against performance targets
- Delivery against IDP project targets
- Personal development plans
- Behaviour related to values or code of conduct

- ◆ All performance management activities will be subject to the regulations and guidelines specified in the systems act (systems act section 49)

5.3 Performance Management Model

The performance model is the definition of the steps that happen in a performance management system

- ◆ The performance management process will be based on the agreed performance management model (see attached)

5.4 PMS Process Inputs

PMS process inputs are all the elements that are required in the implementation of performance management.

- ◆ The performance management system will be informed by the Municipal IDP
- ◆ Targets for performance targets or criteria will be derived from the IDP targets, MEC for local government, Community, and any relevant legislative requirements

- ◆ After all IDP reviews the measures with the relevant weighted priority, should be reviewed and the results should be communicated to all affected parties.
- ◆ Managers will facilitate the incorporation of the revised measures into performance contracts in their own areas
- ◆ Performance management is a key generic output for all managers, councillors, and political functionaries
- ◆ The performance management process will have the following inputs:
 - Integrated Development plans
 - IDP performance targets and measures
 - Performance standards
 - Organisational structure
 - Job Model
 - Personal Curriculum vitae
 - Any Institutional policy
 - Any Legislation
- ◆ The appointed performance management committee will facilitate the development of performance standards for each measure.
- ◆ As soon as the council has approved the municipal key performance indicators they must be communicated to all the stakeholders for community participation.

5.5 Preparation for Contracting

Preparation is the opportunity to get ready for their discussion and agreeing for contracting

- ◆ A transferred or new employee will start a performance agreement Preparation process on arrival in a new area
- ◆ Employees will be given at least two weeks to prepare for the contracting process
- ◆ Employees will use job model and organisational strategic measures to create the contract
- ◆ The manager will assist the employee in any way possible in the process of preparation

- ♦ The preparation will incorporate all relevant measures related to their function or role

5.6 Performance Agreement

Performance contracting is a process of discussing and agreeing on levels of performance.

- ♦ All agreed targets and measures should be achievable and measurable
- ♦ The receiving superior will conduct a performance agreement process for the new employee with the first month of appointment
- ♦ All contracts will be based on a mutual agreement between the superior and the subordinate
- ♦ All targets agreed to, will be subject to organisational agreed performance standards
- ♦ All contracts will be the outcome of a discussion between the employee and manager
- ♦ The contract will be valid for the period under review
- ♦ The manager and the employee are responsible for making sure that the contract is in place
- ♦ The performance agreement will be based on the following areas of performance:
 - Performance targets
 - IDP project delivery targets
 - Personal development plans achievement
 - Behaviour related to values or code of conduct

5.7 Performance Review

A performance review is a process of evaluating an employee based on short-term objectives

- ♦ All employee will have at least two reviews in a performance cycle (required standard of three per cycle)
- ♦ The performance review will provide positive and negative performance feedback

- ◆ Informal reviews are also allowed and the feedback should also be placed in the employee file.
- ◆ Informal review feedback and client unsolicited feedback will be filed in the employee file
- ◆ The final rating will be based on the agreement between the reviewee and the reviewers rating
- ◆ The measures will be reviewed for relevance during each review
- ◆ The reviewer is accountable for the implementation and outcomes of the review
- ◆ The reviewer and the reviewee are responsible for the review outcomes
- ◆ The reviewer and the reviewee will sign the performance review agreement
- ◆ In the event of poor performance i.e. a rating of 1 the employee should be counselled through the performance improvement program
- ◆ The results of an informal review will be admissible only if it has been recorded in the staff file.
- ◆ All agreed measures and targets should be auditable
- ◆ Steps should be taken to improve all areas of unsatisfactory performance
- ◆ All performance measurement result should be audited through the internal audit process

5.8 Performance Appraisal

Performance appraisal is the process of evaluating the employee performance based on the trend from the regular reviews

- ◆ All employees less than three months in the organisation will not have a performance appraisal
- ◆ All appraisals are based on the trend in a minimum of two performance reviews and one 360 degree feedback
- ◆ All principles that apply in the performance review will apply to the appraisal
- ◆ There will be one appraisal for each performance cycle
- ◆ The 360 degree feedback will be used in evaluating performance in all appraisals

- ◆ The 360 degree feedback will cover stakeholder interactions based on the person's compliance to the relevant code of conduct and values
- ◆ The reviewer and the reviewee will sign the performance appraisal outcomes

5.9 360 Degree Stakeholder Review

360 Degree stakeholder feedback is a process of getting feedback about the employee performance in their interaction

- ◆ All 360 degree appraisals will conduct once in a performance cycle
- ◆ This review will be conducted with stakeholders with whom the employee interacts with
- ◆ The employee will provide the list of all stakeholders they interact with, the nature of interaction, and their contact details
- ◆ The human resources department will select and send the questionnaire at the beginning of the last quarter of the performance cycle
- ◆ The results should be ready at the beginning of the appraisal period
- ◆ The employee will get a copy of their review before getting into the appraisal discussion

5.10 Development Planning

Development Planning is a process of assisting employees to build capacity to improve own performance

- ◆ All employees will have a development plan
- ◆ The employee will be evaluated on agreed targets relevant for the performance period
- ◆ The performance development plan is discussed in each review and appraisal
- ◆ The development plan is based on performance gaps, job requirements, relevant behaviour related to values and code of conduct, and relevant initiatives

5.11 Performance improvement Program (PIP)

PIP is a process of assisting employees to address those areas of poor performance

- ◆ All employees who get an overall rating of 1 will be put on the performance improvement program
- ◆ Employees more than one successive overall rating of two will be put on PIP
- ◆ When an employee is put on PIP they will have to draw up new contracts
- ◆ All employees terminated based on poor performance will have gone through a PIP process
- ◆ The basis for termination on poor performance will comply with the LRA

6. Process Management

This refers to all the activities that administer and manage the PMS process

6.1 Administration

These are the administrative activities to facilitate the process.

- ◆ Each employee, councillor, and political officer will have a performance management file
- ◆ The performance management file will be linked to the personal record
- ◆ All performance records, formal and informal, should be filed
- ◆ All PMS appointments should not be changed more than twice
- ◆ All PMS records will be kept for five years
- ◆ All performance measures will be based on institutionally agreed standards
- ◆ All roles in the municipality should have an associated performance agreement to their employment contracts

6.2 Monitoring

This is the process collecting records that indicate effective implementation of performance management.

- ◆ All managers will submit a schedule of performance management for each performance management cycle*
- ◆ Managers will provide a record of all the performance events after these events i.e. performance agreement, reviews, contracting, and appraisals
- ◆ Human resources department will prepare a PMS compliance report to coincide with the budget reporting cycle
- ◆ Human resources department should manage the achievement of the desired benefits
- ◆ The municipality should produce an annual report as specified in section 46 of the systems act
- ◆ The municipal annual report will link to the MEC and Ministers report

- ✦ A reporting schedule on the performance of the municipality should be established based on the information needs of the stakeholders
- ✦ The reports should indicate performance against the agreed targets, measures, variances and action to correct performance
- ✦ The municipal manager is responsible for the management of the PMS

6.3 Evaluation

This is the process of assessing the overall performance of the PMS

- ✦ A PMS audit will be conducted as part of the institutional audit process
- ✦ The PMS will be evaluated against the agreed targets, and compliance to the PMS policy
- ✦ The process will be conducted by the internal audit function, auditor general, and independent person or organisation if so required
- ✦ The outcome of this process will serve as input in the improvement of PMS process and MEC, Minister, and other stakeholder reports

6.4 PMS Grievance process

This is a process of handling complaints or situations of unhappiness relating to PMS

- ✦ All grievances will be escalated in the same way as the institutional grievance procedure
- ✦ All grievances related to PMS must be submitted within 21 days to the municipal manager
- ✦ The municipal manager must act as specified in section 62 of the systems act
- ✦ Consistent poor performance is regarded as a disciplinable offence

6.5 Capacity building (Training and development)

This refers to all those activities related to building capacity for effective implementation by the users

- ◆ There will be a training curriculum for all roles in the PMS
- ◆ The training will be part of the employee development plans
- ◆ All employees should be trained on how to participate in the performance management system
- ◆ An overview of the performance management system should be part of the company induction process
- ◆ A record of training attendance for all employees should be kept
- ◆ All capacity building should be implemented in line with the SAQA and skills development act

6.6 Professional Support

The manager is responsible for mobilising professional assistance from the Human Resources Specialists should this be required at any stage of the process.

7. PMS Implementation

7.1 Responsibility

7.1.1 Manager

The manager will be accountable for:

- ◆ Making sure every employee understands the concept of Performance management system
- ◆ Administering the employee performance file
- ◆ Making all employees aware of how the policy affects their jobs
- ◆ Developing employee performance agreements
- ◆ Setting performance standards
- ◆ Preventing deviations from performance standards
- ◆ Implementing training sessions on performance management for all their staff
- ◆ Ensuring full access to relevant performance information
- ◆ Ensuring the integrity of the system
- ◆ Reporting on the results of the unit or team performance elements

7.1.2 Employees

Employees will be accountable for:

- ◆ Administering individual performance management files
- ◆ Adhering to the required standards
- ◆ Responsibility for their own personal development plans

7.1.3 Human Resources Business Unit

The Human Resources Business Unit will be accountable for:

- ◆ The custodians of the performance management system
- ◆ Monitoring and evaluation of the system
- ◆ Reporting on the performance management system

- ♦ Developing the performance management policy
- ♦ Developing the relevant training material on the performance management system

7.2 Accountability

The Executive Mayor is accountable for the effective implementation of the Performance Management System. The Municipal manager is responsible for its effective implementation

7.3 Policy Distribution

Every employee will be supplied with a copy of Human Resource Manual containing all policies during his/her induction Programme. The performance management policy will be part of the manual.

7.4. Policy Filing

All policies will be available online and can be retrieved by all staff members and stakeholders on request. The policies will also be available on hardcopies from the Human Resource Department filing system, which will also be accessible by each staff member

7.5 Policy Access

The policies will be accessible online at all times.

All internal requests can also be made with Human Resource Department for access to policies.

Copies for external stakeholders should be available from the municipal manager

7.6 Performance Management System Development

A committee delegated by the Executive Mayor will be responsible for the development of the policy. This responsibility may be delegated to the municipal manager for implementation.

The committee jointly with management will be responsible for the establishment of a measurement and monitoring system

7.7 Community Involvement

The Municipality should through the appropriate mechanisms; processes involve the community in the development, implementation and review of the municipality performance i.e. the delivery against the municipality IDP performance targets

As soon as the council has approved the municipal key performance indicators they must be communicated to all the stakeholders.

8. Policy review

This refers to the changes or upgrades to the Performance Management system.

- ♦ This policy will be reviewed annually or after every IDP changes.
- ♦ The outcome of the PMS evaluation will be used as input for changes in the PMS policy
- ♦ All the relevant stakeholders should approve any changes made to the policy.

9. Attachment

9.1 Policy Impact Matrix

9.2 Referral to other relevant documents

A20/2003

PERFORMANCE MANAGEMENT : DRAFT POLICY (5/3/2/1) (SPEAKER)**PURPOSE**

To submit the revised Draft Performance Management Policy to Council for adoption.

BACKGROUND

Council at its meeting held on 25 February 2003, A11/2003 resolved :

[EXEC. MAYOR]

1. That the Executive Mayor **PRESENT** this draft policy as a first draft to allow input by the Council and any other person the Council may want for further input (See p. 46 to p. 63 of the Annexures).
2. That the Executive Mayor and the Municipal Manager **MUST USE** this draft to sensitize all the employees about it.
3. That the Executive Mayor **WOULD** allow a period of inputs to be 21 working days from the date of submission to Council."

The Draft Policy was sent out to Political Parties and Stakeholders for comments. Only one Stakeholder, Matjhabeng Industrial Park, responded.

*** Copy of the revised Draft Performance Management Policy is enclosed on pages 1 - 18 of the Annexures.

SUBMITTED FOR CONSIDERATION

A20/2003

PERFORMANCE MANAGEMENT : DRAFT POLICY (5/3/2/1) (SPEAKER)
(P 18 : ANNEXURES P 1 - 18)**COUNCIL RESOLVED : (30 APRIL 2003)**

1. That the Council **ACCEPTS** the Draft Performance Management Policy.
2. That the necessary steps **BE COMPLETED** that lead to the finalisation of the policy.
3. That the Income Statement analysis **BE SUBMITTED** to Council.
4. That if it is not possible to meet the deadline of 3 September 2003 for the compilation of the Financial Statements **IT BE REPORTED** to the Finance Committee timeously.

First Draft

Of

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For

Matjhabeng Municipality

Table of contents

<u>1. Introduction</u>	4
<u>2. Purpose</u>	4
<u>3. Goals</u>	4
<u>4. Scope</u>	5
<u>5. Performance management system guidelines</u>	5
<u>5.1 Principles</u>	5
<u>5.2 General</u>	6
<u>5.3 Performance Management Model</u>	7
<u>5.4 PMS Process Inputs</u>	7
<u>5.5 Preparation for Contracting</u>	8
<u>5.6 Performance Contracting</u>	9
<u>5.7 Performance Review</u>	9
<u>5.8 Performance Appraisal</u>	10
<u>5.9 360 Degree Stakeholder Review</u>	11
<u>5.10 Development Planning</u>	11
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<u>6. Process Management</u>	13
<u>6.1 Administration</u>	13
<u>6.2 Monitoring</u>	13
<u>6.3 Evaluation</u>	14
<u>6.4 PMS Grievance process</u>	14
<u>6.5 Training and development</u>	14
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<u>7.5.3 Human Resources Business Unit</u>	16
<u>7.2 Accountability</u>	17
<u>7.3 Policy Distribution</u>	17
<u>7.4 Policy Filing</u>	17
<u>7.5 Policy Access</u>	17
<u>8. Policy review</u>	18
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1. Introduction

Performance Management is a tool to help institutions to execute their strategy. It also engenders a culture of performance, which drives transformation. It enables the process of achieving the municipal strategic objectives, as set out in Integrated Development Plan (IDP), through regular review of performance against agreed performance objectives and targets. The performance targets are set to suit the requirements of the council. Performance management helps to align the individual and organisation goals.

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The performance management system should cover all the steps and activities executed in the performance management process.

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- ◆ Encourage maximum stakeholder participation that is aligned with systems act requirements
- ◆ The performance management processes will be conducted with integrity
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- ◆ All PMS discussions are confidential
- ◆ All performance management activities are aligned with other functional policies of the council

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This is the specification of the overall guidelines that drive the performance management system

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- Delivery against IDP project targets
- Personal development plans
- Behaviour related to values or code of conduct

- ◆ All performance management activities will be subject to the regulations and guidelines specified in the systems act (systems act section 49)

5.3 Performance Management Model

The performance model is the definition of the steps that happen in a performance management system

- ◆ The performance management process will be based on the agreed performance management model (see attached)

5.4 PMS Process Inputs

PMS process inputs are all the elements that are required in the implementation of performance management.

- ◆ The performance management system will be informed by the Municipal IDP
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- ◆ All 360 degree appraisals will conduct once in a performance cycle
- ◆ This review will be conducted with stakeholders with whom the employee interacts with
- ◆ The employee will provide the list of all stakeholders they interact with, the nature of interaction, and their contact details
- ◆ The human resources department will select and send the questionnaire at the beginning of the last quarter of the performance cycle
- ◆ The results should be ready at the beginning of the appraisal period
- ◆ The employee will get a copy of their review before getting into the appraisal discussion

5.10 Development Planning

Development Planning is a process of assisting employees to build capacity to improve own performance

- ◆ All employees will have a development plan
- ◆ The employee will be evaluated on agreed targets relevant for the performance period
- ◆ The performance development plan is discussed in each review and appraisal
- ◆ The development plan is based on performance gaps, job requirements, relevant behaviour related to values and code of conduct, and relevant initiatives

5.11 Performance improvement Program (PIP)

PIP is a process of assisting employees to address those areas of poor performance

- ◆ All employees who get an overall rating of 1 will be put on the performance improvement program
- ◆ Employees more than one successive overall rating of two will be put on PIP
- ◆ When an employee is put on PIP they will have to draw up new contracts
- ◆ All employees terminated based on poor performance will have gone through a PIP process
- ◆ The basis for termination on poor performance will comply with the LRA

6. Process Management

This refers to all the activities that administer and manage the PMS process

6.1 Administration

These are the administrative activities to facilitate the process.

- ◆ Each employee, councillor, and political officer will have a performance management file
- ◆ The performance management file will be linked to the personal record
- ◆ All performance records, formal and informal, should be filed
- ◆ All PMS appointments should not be changed more than twice
- ◆ All PMS records will be kept for five years
- ◆ All performance measures will be based on institutionally agreed standards
- ◆ All roles in the municipality should have an associated performance agreement to their employment contracts

6.2 Monitoring

This is the process collecting records that indicate effective implementation of performance management

- ◆ All managers will submit a schedule of performance management for each performance management cycle
- ◆ Managers will provide a record of all the performance events after these events i.e. performance agreement, reviews, contracting, and appraisals
- ◆ Human resources department will prepare a PMS compliance report to coincide with the budget reporting cycle
- ◆ Human resources department should manage the achievement of the desired benefits
- ◆ The municipality should produce an annual report as specified in section 46 of the systems act
- ◆ The municipal annual report will link to the MEC and Ministers report

- ◆ A reporting schedule on the performance of the municipality should be established based on the information needs of the stakeholders
- ◆ The reports should indicate performance against the agreed targets, measures, variances and action to correct performance
- ◆ The municipal manager is responsible for the management of the PMS

6.3 Evaluation

This is the process of assessing the overall performance of the PMS

- ◆ A PMS audit will be conducted as part of the institutional audit process
- ◆ The PMS will be evaluated against the agreed targets, and compliance to the PMS policy
- ◆ The process will be conducted by the internal audit function, auditor general, and independent person or organisation if so required
- ◆ The outcome of this process will serve as input in the improvement of PMS process and MEC, Minister, and other stakeholder reports
- ◆

6.4 PMS Grievance process

This is a process of handling complaints or situations of unhappiness relating to PMS

- ◆ All grievances will be escalated in the same way as the institutional grievance procedure
- ◆ All grievances related to PMS must be submitted within 21 days to the municipal manager
- ◆ The municipal manager must act as specified in section 62 of the systems act
- ◆ Consistent poor performance is regarded as a disciplinable offence

6.5 Capacity building (Training and development)

This refers to all those activities related to building capacity for effective implementation by the users

- ◆ There will be a training curriculum for all roles in the PMS
- ◆ The training will be part of the employee development plans
- ◆ All employees should be trained on how to participate in the performance management system
- ◆ An overview of the performance management system should be part of the company induction process
- ◆ A record of training attendance for all employees should be kept
- ◆ All capacity building should be implemented in line with the SAQA and skills development act

6.6 Professional Support

The manager is responsible for mobilising professional assistance from the Human Resources Specialists should this be required at any stage of the process.

7. PMS Implementation

7.1 Responsibility

7.1.1 Manager

The manager will be accountable for:

- ◆ Making sure every employee understands the concept of Performance management system
- ◆ Administering the employee performance file
- ◆ Making all employees aware of how the policy affects their jobs
- ◆ Developing employee performance agreements
- ◆ Setting performance standards
- ◆ Preventing deviations from performance standards
- ◆ Implementing training sessions on performance management for all their staff
- ◆ Ensuring full access to relevant performance information
- ◆ Ensuring the integrity of the system
- ◆ Reporting on the results of the unit or team performance elements

7.1.2 Employees

Employees will be accountable for:

- ◆ Administering individual performance management files
- ◆ Adhering to the required standards
- ◆ Responsibility for their own personal development plans

7.1.3 Human Resources Business Unit

The Human Resources Business Unit will be accountable for:

- ◆ The custodians of the performance management system
- ◆ Monitoring and evaluation of the system
- ◆ Reporting on the performance management system

- ◆ Developing the performance management policy
- ◆ Developing the relevant training material on the performance management system

7.2 Accountability

The Executive Mayor is accountable for the effective implementation of the Performance Management System. The Municipal manager is responsible for its effective implementation

7.3 Policy Distribution

Every employee will be supplied with a copy of Human Resource Manual containing all policies during his/her induction Programme. The performance management policy will be part of the manual.

7.4. Policy Filing

All policies will be available online and can be retrieved by all staff members and stakeholders on request. The policies will also be available on hardcopies from the Human Resource Department filing system, which will also be accessible by each staff member

7.5 Policy Access

The policies will be accessible online at all times.
All internal requests can also be made with Human Resource Department for access to policies.

Copies for external stakeholders should be available from the municipal manager

7.6 Performance Management System Development

A committee delegated by the Executive Mayor will be responsible for the development of the policy. This responsibility may be delegated to the municipal manager for implementation.

The committee jointly with management will be responsible for the establishment of a measurement and monitoring system

7.7 Community Involvement

The Municipality should through the appropriate mechanisms; processes involve the community in the development, implementation and review of the municipality performance i.e. the delivery against the municipality IDP performance targets

As soon as the council has approved the municipal key performance indicators they must be communicated to all the stakeholders.

8. Policy review

This refers to the changes or upgrades to the Performance Management system

- ◆ This policy will be reviewed annually or after every IDP changes.
- ◆ The outcome of the PMS evaluation will be used as input for changes in the PMS policy
- ◆ All the relevant stakeholders should approve any changes made to the policy.

9. Attachment

9.1 Policy Impact Matrix

9.2 Referral to other relevant documents