



**JOE MOROLONG**  
LOCAL MUNICIPALITY

# PMDS POLICY 2024-2025

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# 1. ACRONYMS

“KPA” means key performance area

“MM” means Joe Morolong Local Municipality Manager

“PAD” means performance appraisal discussions

“PRD” means performance review discussions

“PAP” means post appraisal process

“JMLM” means Joe Morolong Local Municipality

“SKA” means skills, knowledge, and attributes.

“PMDS” means performance management and development system.

# 2. PREAMBLE

The Municipality Systems Act, No. 32 of 2000 as amended, enjoins the Municipalities to introduce the individual Performance management system that will ensure the attainment of service delivery imperatives in the Municipality Staff Regulation of the 20<sup>th</sup> September 2021 necessitated the review of the individual performance management processes being outdated and illegal.

# 3. PURPOSE OF THE POLICY

The purpose of this policy is to provide guidelines and standards of which the performance of the employee can be monitored, measured and reported in line with chapter 4 of the municipality staff section 152 of the 20<sup>th</sup> September 2021.

# 4. OBJECTIVE

The objectives of the performance management and development system is to-

- (a) promote the objectives and developmental duties of local government, as set out in sections 152 and 153 of the Constitution;
- (b) promote a culture of service to the public, accountability, mutual co-operation and assistance amongst staff members;

institutionalize performance planning, monitoring and evaluation in Joe Morolong Local Municipality;

- (c) maximize 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;
- (d) build a common understanding among staff members of the municipality's objectives as contained in its integrated development plan and annual performance plan;
- (e) set clear performance indicators and performance targets by communicating to staff members how their roles contribute to the success of the municipality;
- (f) build individual capability, skills and competencies that are key to the municipality achieving its mandate and objectives and encourage commitment among staff;
- (g) create an enabling environment to plan, monitor and measure performance against set targets or outputs;
- (h) encourage desired behaviors as articulated in the Code of Conduct for Municipal Staff Members, as contained in Schedule 2 to the Act;
- (i) identify and improve substandard performance of staff; and
- (j) recognize performance of staff that have achieved a rating of performance significantly above expectations and outstanding performance.

## 5. SCOPE OF APPLICATION

The performance management and development system policy apply to all staffmembers of a municipality excluding a staff member-

- (a) appointed on a fixed term contract with a duration of less than 12 months;
- (b) serving notice of termination of his or her contract of employment; or
- (c) appointed on an internship programme or EPWP or similar scheme
- (d) appointed in terms of sections 54A and 56 of the Act.

## 6. LEGAL FRAMEWORK

- a. Labour Relation Act, 1998
- b. Basic Conditions of Employment Act
- c. Promotion of Administrative Justice Act
- d. Employment Equity Act, 1998.

- e. Skills Development Act
- f. Local Government: Municipal Systems, Act No 32 Of 2000
- g. Municipal staff regulation of 20 September 2021

## 7. INCEPTION DATE

The effective date of the policy is the date of approval by JMLM council.

## 8. PRINCIPLES

- a. Performance Management and Development Systems must be collaborative, transparent, non-discriminatory and fair.
- b. Individual Performance Management shall be supportive in order to enhance organisational efficiency, effectiveness, and accountability.
- c. Individual Performance Management shall be open, constructive and ongoing communication between the supervisor and supervisee.
- d. Individual Performance Management and Development should where reasonably practical be linked to the IDP, SDBIP of the relevant Department and senior managers performance plan
- e. The Individual Performance Management and Development should allow for an effective response and relevant measures to manage sub-standard performance and recognise effective performance.
- f. Individual Performance Management should be integrated with other HR policies and practices.
- g. The management of poor performance shall be informed by labour Relations Act and Relevant Collective Agreements.
- h. The Performance Management and Development system should be easy to understand and administer.

## 9. PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM PROCESS

1. Performance management and development is the systematic process of—

- a. planning work and setting expectations of the municipality from staff members;
- b. continually monitoring performance of staff members or teams;
- c. developing the capacity of staff members or teams to perform optimally;
- d. periodically rating performance of staff members and teams; and
- e. rewarding outstanding performance.

2. As a result, the following PMDS must consists of the following phases;

- a) Performance Planning
- b) Performance Monitoring and Review
- c) Performance Evaluation
- d) Performance Rewards

3.1 A staff member of the Municipality is a public servant in a developmental local government system, and therefore must be committed to serve the public and have a sense of performance in terms of standards and targets. Every employee should participate in the individual performance evaluation and reward system in order to maximize the ability of the municipality to achieve its objective.

3.2 The municipality as represented by the relevant supervisor, and staff members that must, during the planning phase agree on:

1. Key performance Area (KPA's) and targets the employees is to achieve during the cycle.
2. performance standards, weights for targets and Key Performance Indicators (KPI's) for measuring achievements of performance against the set targets
3. Job Specific Competencies to be assessed in performance cycle.

3.3 The supervisor and staff member must ensure that performance management is aligned to the staff member's job and the KPA's relevant to the post that the member holds.

3.4 The performance Plan of an employee should have less than 5 KPA's and not more than 7 KPA's.

3.5 The supervisor must, during the performance cycle, monitor, coach and provide feedback to the staff member.

3.6 The supervisor and staff member must undertake an annual performance assessment for each performance cycle based on performance agreement.

3.7 The criteria upon which the performance of the staff must be assessed consist of two components: KPAs and job specific competencies. The staff member's performance must be assessed against both components. KPAs covering the main areas of the work will account for 80% of the weight while the job specific competencies will constitute 20% of overall assessment result as per weightings agreed in terms of the performance agreement.

3.8 The supervisor and staff member must conclude the annual performance assessment process as a formal engagement co-signed by the supervisor and staff member. The annual assessment must be recorded and signed by the supervisor and staff member.

3.9 Incidents are deliberated upon with the staff member during the performance appraisal or assessment.

## 10. PERFORMANCE AGREEMENT – PHASE 1 PLANNING

- (1) A supervisor and staff member must enter into a performance agreement for each performance cycle of the municipality.
- (2) The performance agreement of a-
  - (a) serving staff member must be concluded within 30 days of the commencement of the new financial year of the municipality; and
  - (b) staff member must be concluded within 60 days of-
    - (i) his or her appointment after probation as from 1 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.
- (3) If at any time during the performance cycle, the responsibilities of the staff member change to the extent that the performance plan in the performance agreement is no longer appropriate, the parties must revise the performance agreement.
- (4) The performance agreement may not diminish the obligations and duties of a staff member in terms of the staff member's employment contract, or any applicable regulations or municipal policy.
- (5) The performance agreement must include a performance plan that contains-
  - (a) the name, job title and the department of the staff member;
  - (b) the objectives or targets;
  - (c) KPAs, their weightings and the target date for meeting the KPA;
  - (d) the KPIs and the performance standard for each KPI;
  - (e) the name and definition of the job specific competencies, their weightings and the expected level of capability for each competency;

- (f) a personal development plan prepared in compliance with regulation 51; and
- (g) the process of monitoring and assessing performance, including the planned dates of assessment.

## 11. TEAM-BASED PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEMS

- (1) A municipality may establish a team-based performance management and development system for a category of staff below the level of a supervisor that will assist the municipality in managing probation, rewards, and skills development of staff members, which is consistent with the principles set out in this chapter.
- (2) Before implementing the team-based performance management and development system, the municipality must—
  - (a) pilot the system on a team of staff members in all affected occupational streams; and
  - (b) consult the system with recognized trade unions within the local labour forum.

## 12. PERFORMANCE MONITORING AND REVIEW – PHASE 2

- (1) The monitoring process involves a manager consistently measuring performance on the job and providing ongoing feedback to staff and teams on progress towards reaching staff member and team goals.
- (2) The monitoring of performance includes 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.
- (3) The supervisor must offer coaching when required in order to reinforce effective performance or bring the performance of the staff member closer to the expected standards.
- (4) The performance of the staff member must be reviewed at mid-year to assess the staff member or teams' progress towards 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.
- (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.

## 13. PERFORMANCE EVALUATION – PHASE 3

13.1 The annual performance evaluation must 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) the rating assigned to each KPA multiplied by the weight given to that KPA to provide a weighted score for that KPA.
  - ii) an assessment of the extent to which the staff member achieved the job specific competencies as outlined in the performance plan, which comprises—
  - iii) each competency assessed to determine the extent to which the specified standards or KPIs have been met;
  - iv) an indicative rating on the five-point scale set out in the table below provided for each job specific competency;
  - v) the rating assigned to each job specific competency multiplied by the weight given to that competency to provide a score for that competency.

13.2 The fivepoint rating scale as set out in the table below shall for purposes of implementation of this chapter, apply to all staff members.

Level	Terminology	Description
5	<b>Outstanding performance</b>	Performance far exceeds the standard expected of a staff member at this level. The appraisal indicates that the staff member has achieved above fully effective results against all performance criteria and indicators and specified in the Performance Agreement and Performance Plan and maintained this in all areas of responsibility throughout the year.
4	<b>Performance significantly above expectations</b>	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the staff member has achieved above fully effective results against more

		than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	<b>Fully effective performance</b>	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the staff member has fully achieved effective results against all significant performance criteria and indicators specified in the Performance Agreement and Performance Plan.
2	<b>Performance not fully effective</b>	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 staff member has achieved below fully effective results against more than half the key Performance Agreement and Performance Plan.
1	<b>Unacceptable performance</b>	Performance does not meet the standard expected for the job. The review/ assessment indicates that the staff member has achieved below fully effective results against almost all of the performance criteria and indicators as specified in Performance Agreement and Performance Plan. The staff member 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.

13.3. An overall rating is calculated by using the assessment rating calculator as provided in Annexure E. Such overall rating represents the outcome of the performance appraisal.

13.4 The annual performance evaluation must determine a performance rating for the performance cycle.

13.5 The staff member assessed must provide the supervisor with a portfolio of evidence relating to his or her KPAs for the entire performance cycle.

13.6 The maintenance and provision of the portfolio of evidence to support the decision on the final score

to each KPA and competency, is the responsibility of the staff member.

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

13.8 The evaluation of the performance of the staff member must be conducted by that member's supervisor or his or her delegate.

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

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

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

## 14. SCHEDULE OF ASSESSMENT

Assessments are done formally on a bi-annual basis and should be concluded as follows:

Mid- year Performance Evaluation (1 July- 31 December) Due end January annually

Annual Performance Evaluation (1 July – 30 June): Due end August annually.

## 15. PERFORMANCE MODERATION

(1) The municipal manager must establish departmental performance moderation committees, which must be convened annually.

(2) Performance moderation processes must take place within a reasonable timeframe after the end of the performance cycle, but not later than six months after the end of the financial year.

(3) The departmental performance moderation committees shall be constituted as follows:

(a) The relevant heads of departments, who must act as chairpersons in the committees;

(b) all managers directly accountable to the heads of departments, who must be recused from the committee before their assessments are considered by the committee; and

(c) a senior human resource functionary who will advise, guide and provide support, including arrangements for secretariat services.

(4) The purpose of the departmental performance moderation committee is to-

- (a) conduct moderation of annual staff performance results in order to ensure that the norms and standards for performance management and development systems are applied in a fair, realistic and consistent manner across the department;
- (b) assess and compare the performance and contribution of each staff member with his or her peers towards the achievement of departmental goals;
- (c) ensure fairness, consistency and objectivity with regard to dispersal of performance recognition and ratings achieved for a common understanding amongst supervisors 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 department;
- (e) recommend 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 assessments on financial rewards and options for various forms of recognition;
- (h) recommend performance rewards 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.

**(5)** (a) If the departmental moderation committee has reason to believe that any performance assessment by the supervisor does not conform to performance norms and standards or that there is lack evidence or information to support the performance ratings, the departmental moderation committee may not reassess, amend or adjust the performance ratings of a staff member, but may refer the assessment back to the relevant supervisor for reassessment in consultation with the affected staff member. **The reassessment must be conducted within 14 days, after being referred back**

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

(c) 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.

(d) The affected staff member must be consulted and be offered an opportunity to respond.

**(6)** The municipal council must establish a municipal moderation committee, which must be convened annually.

(7) The municipal moderation committee shall be constituted as follows:

(a) The municipal manager, who must act as the chairperson of the committee;(b) all heads of departments;

(c) head of municipal planning and organizational performance;(d) head of the municipal internal audit;

(e) a senior human resource functionary to guide, advise and provide support, including arrangements for secretariat services; and

(f) a performance specialist, where applicable.

(8) The purpose of the municipal moderation committee is to-

(a) provide oversight over the staff performance management and development system to ensure the performance management process is valid, fair and objective;

(b) moderate the overall performance assessment score for staff determined after the departmental moderation processes;

(c) ensure that the final individual performance ratings are fair across each grade and department or directorate;

(d) ensure that the final individual assessment outcome corresponds with the performance of the municipality and the relevant department aligned to the staff member's job description or directorate before any recognition of performance is considered;

(e) determine the percentages for the merit-based rewards subject to affordability and the annual approved municipal budget in terms of section 16 of the Municipal Finance Management Act;

(f) recommend appropriate recognitions for different levels of performance;

(g) recommend appropriate remedial actions for performance believed to be substandard;

(h) advise the municipality on recognition of performance, including financial and non-financial rewards, where applicable;

(i) identify potential challenges in the performance management system and recommend appropriate solutions to the municipal manager;

(j) identify developmental needs for supervisors to improve the integrity of the performance management and development system; and

(k) consider any other matter that may be considered relevant.

## 16. PERFORMANCE REWARDS – PHASE 4

(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 on 30 June of each financial year of a municipality;

(ii) transferred or seconded horizontally during the performance cycle within the municipality;

(iii) who is on uninterrupted approved leave for 3 months or longer;

(iv) who is on approved maternity leave for more than 3 months; and

(v) who received 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 1 July of that performance cycle;

(ii) who is serving probation as stipulated in regulation 23;

(iii) whose performance period is less than 12 months;

(iv) whose employment is for a fixed term duration of less than 12 months; or

(v) whose post was upgraded without a change in performance agreement.

(2) A municipality may not spend more than 1.5% of its annual salary and wage bill for staff performance rewards.

## 17. DISPUTES ABOUT PERFORMANCE AGREEMENTS AND ASSESSMENT

(1) Any dispute about performance objectives or targets must 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.

(2) Any dispute relating to the conclusion of the performance agreement or an amendment to the

performance agreement, must 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.

(3) A dispute contemplated in sub-regulation (2) must be resolved within one month of receipt of the dispute by the head of the department, after-

- (a) considering the representation from the staff member concerned and his or her supervisor; and
- (b) consultation with the head of human resources.

(4) A staff member who is not satisfied with the outcome of the procedure in sub-regulation (3), may lodge a dispute in terms of the dispute resolution mechanisms of the bargaining council.

## 18. MANAGING SUBSTANDARD PERFORMANCE

(1) A staff member who receives a performance rating below 3 in terms of the Five-Point Rating table in regulation 38(2) must-

- (a) be assisted in developing his or her competencies through training, and supervision; and
- (b) develop a revised personal development plan with his or her supervisor.

(2) The personal development plan must contain at least-

- (a) a description of the behavior and skills that require improvement;
- (b) a description of the actions that will be undertaken to improve the identified behavior and skills that require improvement;
- (c) the deadlines for improvement;
- (d) a schedule of meeting to assess improvements and provide feedback; and
- (e) details of the potential consequences in the event that there is no improvement in performance.

(3) The meetings to assess improvements and to provide a feed-back must be recorded in writing.

(4) The personal development plan to manage performance improvement must cover a maximum period of six months, at the end of which, a formal evaluation of performance must take place.

(5) The following alternatives must 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 in 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 behavior and skills; or
  - (d) dismissal owing to incapacity in terms of the provisions of the Labour Relations Act.
- (6) Poor work performance must be dealt with in accordance with item 9 of Schedule 8 to the Labour Relations Act.

## 19. PERFORMANCE MANAGEMENT OF STAFF MEMBERS WHO ARE ACTING IN POSTS

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

## 20. POLICY REVIEW

The policy shall be reviewed annually or as and when circumstances dictate so.