

SETSOTO LOCAL MUNICIPALITY

EMPLOYEE PERFORMANCE APPRAISAL SYSTEMS

FOR

INDIVIDUAL PERFORMANCE MANAGEMENT FRAMEWORK



EPAS

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Foreword

Overview by the Chief Accounting Officer

My responsibility as a Chief Accounting Officer is to make sure that the municipality always gives an outstanding performance with regard to service delivery to the communities.

Systems of accountability should also be in place in order to achieve this goal, therefore, the Municipal Systems Act, 32 of 2000, chapter 6, section 38 (a)-(c), make provision that such systems should be put in place.

Employee performance appraisal system is the logical extension of the integrated development planning and performance budgeting/financial management processes. It is a system for monitoring and evaluating the progress made in the implementation of a municipality's development objectives within the required timeframe and budget.

As a formal process, performance management happens on two levels, namely:

- *The corporate level, i.e. how the municipality as a whole is achieving its development objectives. This is basically at the level of council, Municipal Manager and the directors who report directly to the Municipal Manager and are on performance contract.*
- *The individual level, i.e. how each individual employee is achieving the targets specified in his or her own work plan, and thus how s/he is contributing to the overall performance of the municipality. This focus primarily on the permanent post from head of departments downwards.*

In order to enhance performance of the municipality, the municipality's Strategic plans on performance were redefined in the bosberaad workshops held in March, August and September respectively. During this sessions feedback was given on lesson learnt and progress made during the past financial year. Key objectives and programmes were identified flowing from policy priorities. These were prioritized for resource allocation, performance measures and outputs were also agreed upon, most of the strategic plans are now fully incorporated into the RIDP and other will be during the next review.

The employee appraisal system will also help us to outline the many challenges facing the municipality in ensuring that the municipality's plan and objectives are translated into meaning services to the vulnerable sectors of our communities. We commit ourselves to make a difference to those in need with the human resources at our disposal.

MAKELEFANE T J
MUNICIPAL MANAGER

1. Definitions

Appraisal –

the process during which the quality and quantity of work products generated during a whole year are placed on record by an employee and assessed by a supervisor who makes an overall evaluation and determines recommendations with respect to poor or good performance

Department -

a main operational division within the municipality, headed by a head of department at grade 1

Integrated Development Plan -

refers to the overall vision, mission, values, and developmental objectives of the municipality, the achievement of which should be the purpose of each departmental plan and also of each individual employee's work plan

Key performance area -

are tasks, duties, functions, and responsibilities of an individual employee or of a department as a whole that are critical in making an effective contribution to the achievement of the municipality's integrated development plan

Operational plan –

refers to the vision, mission, values and developmental objectives of each department. Each department's operational plan should give effect to a clearly defined portion of the municipality's integrated development plan

Overall performance

the final decision by a supervisor, assisted by a human resources human resource practitioner, about the degree to which the quality and quantity of the work products of an individual employee meet that employee's targets and contribute to

the operational plan of the department and the integrated development plan of the municipality

Performance -

refers to the concrete achievement or outcome when work is performed by an employee in such a manner that the quality and/or quantity may be appraised by a supervisor

Review -

the process during which the quality and quantity of work products generated during a 3 – month or 6 – month period are placed on record by an employee and assessed by a supervisor with facilitation from a human resource practitioner

Senior Management Team -

the senior management of the municipality, i.e. the Municipal Manager and the Directors who are on performance contracts

Supervisor -

the first line manager, or immediate supervisor, of an employee at the level higher

Targets -

the work performance goals, specified in either numerical or qualitative terms, that indicate how much and how well an employee's work is to be performed in each of his/her key performance areas

Work Plan -

combination of key performance areas and targets for each individual employee. It specifies how much, of what, by when and individual employee needs to do

RIDP-

reviewed integrated development plan

2. Application

The following performance management system shall apply to all employees up to and including the permanent post level of 1. The council shall manage the performance of the Municipal Manager and Senior Management team in a manner that they deem appropriate.

This performance management system is not exhaustive, and does not cover every conceivable situation that might arise. In any case not specifically and explicitly covered by this performance management system, approval should be obtained from the Municipal Manager

3. Setting Objectives

The municipality acknowledges that the work performance of the Managers and employees is intended to serve and support, both directly and indirectly, the development, legislative, oversight, administrative functions of the councilors, and that the performance management system should add value to this service.

The municipality shall manage performance in a consultative and non – discriminatory manner in order to enhance its effectiveness, productivity, use of resources, achievement of results and to develop a service-oriented culture.

The performance management system is intended to direct the energies of individuals and departments towards achieving the development objectives of the municipality by clarifying to all employees the vision, mission and values of:

- (a) The municipality as a whole; and*
- (b) the department and/or section in which they are employed*

The performance management system is intended to improve the quality of services delivered by the municipality and its employees. The performance management system, like any other policies, is subjected to annual review. In addition, the performance management system provides procedures for:

- (a) The compilation of work plans and setting of performance targets for individual employees and divisions.*
- (b) The monitoring and appraising of the degree to which these targets are achieved.*
- (c) The identification of training needs of individual employees to assist them in achieving their targets; and*
- (d) Appropriate rewards for exemplary performers and corrective actions for unsatisfactory performers*

The performance management system procedures of the municipality should be flexible between departments but consistent within the departments, should minimize the administrative burden on supervisors, and should maintain transparency, the performance management system is developmental in nature and employees will be provided with career opportunities and allowed to be creative and innovative in improving their performance.

4. Ethics

The following performance management system is developed and based on the assumption that:

- (a) The municipality has need of a particular service in order to operate effectively and productively; and*
- (b) The applicants who are appointed into positions within the municipality have the necessary skills and interest to provide these services with an acceptable level of competence.*

The performance management system of the municipality is linked to staff training and development, and attempts to align the potential, strengths, and weaknesses of individuals with priorities of the municipality while ensuring that the services that the municipality is obligated to provide are rendered promptly and with quality.

The performance management system is not to be regarded as an opportunity for a supervisor to invade the privacy, judge the value, or make derogatory remarks about any employee.

The performance management system is to be regarded as a regular and equitable manner for a supervisor to evaluate the degree to which an employee is adding value to the goals and objectives of the municipality as a whole.

5. Performance linked to IDP

The senior management team, assisted by the heads of department when appropriate, shall review the integrated development plan of the municipality shortly before the beginning of the new financial year.

The heads of departments, assisted by their staff when appropriate, shall draw up a new, or revise an existing, operational plan for their own department shortly before the beginning of each new financial plan.

Both the integrated development and the operational plans should contain the vision, mission and values of the municipality as a whole or of each department respectively as appropriate. The operational plans of each

department shall give effect to, support, and fulfill the integrated development plan of the municipality.

6. Individual Work Plans

Each employee shall, together with his or her supervisor and/or head of department and in accordance with his or her job description, compile a new or revised and existing annual work plan shortly before the beginning of each financial year.

The annual work plan should, at the minimum, specify:

- (a) The key performance areas, i.e. official duties/or functions the employee is expected to perform; and*
- (b) The level of performance, whether numerical or qualitative targets, required for each key performance area.*

Performance targets should be of observable or measurable behavioural outcomes that relate directly to the employee's work performance or service delivery. Targets should not relate to other factors, such as aspect of personality or personal beliefs, for example, that do not result in improved performance on the job.

In addition, the work plan should contain dates for any non-routine duties and/or functions that need to be performed by certain deadline during the year where appropriate. The work plan of individual employees shall give effect to, support, and fulfill the operational plans of the departments in which they are based.

7. Performance reviews and appraisals

The work of each individual employee shall be reviewed and appraised by his or her supervisor on a regular basis in a manner that is both fair to the employee and that holds the employee accountable for the quality and quantity of his or her work performance.

Performance appraisals should be viewed as an opportunity for honest discussion, open communication, clarifying expectations, and problem solution focused negotiation between an employee and his or her supervisor.

Performance reviews shall be conducted quarterly and performance appraisals shall be conducted annually at the end of each financial year. The annual performance appraisal shall be a summary of appraisals from previous four quarters.

The performance reviews and appraisal shall be conducted in consultation between at least the employee's direct supervisor, and a representative from Human Resources. The second line manager may sit in as an observer at his or her discretion.

The employee may be assisted by an interpreter and/or a member or office bearer of his or her trade union during his or her performance appraisal.

The performance appraisal instrument used during the performance appraisal may differ between occupational categories, but shall be reasonably consistent within occupational categories. In all cases, the instrument shall reflect the work plan of the employee concerned.

During the quarterly performance review, the employee and his or her representative shall, using the appropriate form, be offered the opportunity to place on record all the work products that s/he has produced and all the official functions that s/he has performed during the period under review.

During the annual performance appraisal, the supervisor of the employee shall, using the appropriate form, compile the work performance recorded on the employee's quarterly performance appraisals from the previous year under review.

For both quarterly and annual performance appraisals, the supervisor of the employee must review and score the sufficient and quality of work products and performance by the employee for each of his or her performance targets on a three point-scale consisting of:

- (a) 0 – did not achieve target*
- (b) 1 – achieved target*
- (c) 2 – exceeded target*

After assessing each performance target, the employee's supervisor must, for both quarterly and annual performance appraisals, calculate the overall work performance of the employee, and the following formula should be used:

- (a) Add all the 0s, 1s and 2s from all the specific performance targets;*
- (b) Divide this total by the number of performance targets; and*
- (c) Multiply the resulting fraction by 100 to obtain the final score.*

At the end of both quarterly and annual performance appraisals, the supervisor of the employee must express an overall evaluation of the employee's work performance for the period under review. This overall evaluation must be expressed on a three-point scale based on the final score calculated according to the above formula, as follows:

- (a) 0 – 90 > Unsatisfactory
- (b) 91 – 120 > Satisfactory
- (c) 121 – 200 > Outstanding

The significant details of both the quarterly and annual performance appraisals shall be captured in writing and must be signed by all parties. Apart from the signatories, performance appraisals are to be treated as confidential. The record of the performance appraisal shall be kept on the employee's personal file in Human Resources.

8. Appeals

If an employee receives an overall evaluation with which s/he does not agree during either a quarterly or annual performance appraisal, s/he is still required to sign the appraisal. In this case, the signature indicates that the employee participated in the appraisal and has had the results of the appraisal communicated to him or herself.

The employee has the right to request for an appeal against his or her supervisor's overall evaluation, for either quarterly or annual performance appraisal, to his or her second line manager on the following conditions:

- (a) The request for appeal shall be submitted within five working days after receipt of the outcome of the performance appraisal;*
- (b) The employee must attached a copy of his or her performance appraisal;*
- (c) The employee must specify the grounds of his or her request for appeal; and*
- (d) The employee must state what outcomes s/he desires to achieve through the request for appeal.*

Any request for an appeal arising from a performance appraisal must be considered within five (5) working days after receipt of the request for appeal by the second line manager, who must decide if the request for an appeal is to be granted or not.

If the request for appeal is not granted, the performance appraisal stands as is, and must be kept on the employee's personal file. If the request for appeal is granted, the second line manager must convene an investigation into the matter within seven (7) working days. At such an investigation, the employee together with his or her representative, if any, the supervisor, and the representative from human resources who was present during the performance appraisal must all be present.

The second line manager must hear evidence and opinions from all parties, and may then:

- (a) Raise, lower, or retain the ratings for any specific performance targets; and*
- (b) Recalculate the employee's overall evaluation if necessary.*

The decision by the second line manager is final and binding on all parties, and, if any amendments to the performance appraisal are required as a result of his or her decision, the amended version must be kept on the employee's personal file in the Human Resources.

9. Managing unsatisfactory performance

The unsatisfactory work of performance of employees of the municipality is to be managed in a manner that is developmental, progressive and equitable for employees in the same job categories or departments.

For any quarterly performance review for which the employee's overall evaluation is unsatisfactory, the supervisor must provide the employee with a fair opportunity to improve his or her performance. This may include:

- (a) Conducting corrective counseling;*
- (b) Arranging specific training;*
- (c) Referring, with sensitivity, the employee to the workplace wellness programme for an assessment as to whether or not personal problems might be contributing to poor performance;*
- (d) Setting specific performance targets; and/or*
- (e) Giving a verbal warning for poor performance.*

The supervisor, at this stage, should play the role of coach or mentor in order to offer the support the employee may require in order to achieve his or her targets. The supervisor thus attempts to motivate and tutor the employee.

For the second quarterly performance review for which the employee's overall evaluation is unsatisfactory, the supervisor shall issue the employee with a written warning. This warning shall specify how and why the employee's work performance was unsatisfactory during the quarter under review. This written warning shall be placed on the employee's personal file in Human Resources, where it shall remain a valid warning for a period of twelve (12) months. After twelve (12) months, the written warning may be removed from the employee's personal file and destroyed.

For the third quarterly performance review for which the employee's overall evaluation is unsatisfactory, provided that it is within the twelve (12) months of any previous evaluation of unsatisfactory and the employee

still has a valid written warning for poor work performance on his or her file, then the supervisor shall issue the employee with final written warning. This final written warning shall specify how and why the employee's work performance was unsatisfactory during the quarter under review. This final written warning shall be placed on the employee's personal file in Human Resources, where it shall remain a valid warning for a period of twelve (12) months. After twelve (12) months, the final written warning may be removed from the employee's personal file and destroyed.

For either the fourth quarterly performance review for which the employee's overall evaluation is unsatisfactory, provided that it is within the twelve (12) months of any previous evaluation of unsatisfactory and the employee still has a valid written warning for poor work performance on his or her file, or for the first annual performance appraisal for which the employee received an overall evaluation of unsatisfactory, the supervisor of the employee shall initiate proceedings to dismiss the employee on the grounds of incapacity or poor work performance in terms of Section 2(2), 8 and 9 of Schedule 8 of the Labour Relations Act No 66 of 1995. Such proceedings shall comply with the internal procedures prescribed by the municipality.

During any such proceedings contemplated in terms of the above, the employer shall follow a fair procedure, which shall include giving the employee a fair hearing. For the purpose of such a hearing, all the necessary disciplinary procedure shall apply.

If as a result of any hearing, the disciplinary hearing panel find an employee guilty of incapacity or poor work performance and determines that dismissal is an appropriate sanction, such a decision must first be sent to the Municipal Manager for final review and approval before being implemented.

10. Rewarding good performance

The unsatisfactory work performance of employees of municipality, as recorded in an annual performance appraisal, is not to be financially rewarded in any way.

The satisfactory work performance of employees of municipality, as recorded in an annual performance appraisal, is to be rewarded with a personal salary notch increase with effect from the beginning of the following financial year.

The outstanding work performance of employees of the municipality, as recorded in an annual performance appraisal, is to be rewarded with:

- (a) A personal salary notch increase with effect from the beginning of the following financial year; and*
- (b) A non-retirement funding cash bonus equal to one (1) month's salary at the point in time of the annual appraisal*

At the start of each new financial year, a supervisor is to recommend to Human Resources whether or not an employee in his or her department or division is to be awarded a notch increase on his/her salary scale and/or a cash bonus

The recommendation is to be made with specific reference to the employee's overall evaluation on his or her annual performance appraisal for preceding financial year.

Note: *It is critical to have a policy that accommodates all different categories of staff appropriately. For example, some municipal workers might be classified as "essential services" while others might be "no-essential services". The policy for management of unsatisfactory performance of workers providing "essential services" might be different to, and tougher than, that of workers providing "non-essential services"*

A personal salary notch increase is NOT the same as a general salary adjustment. A worker whose performance is outstanding could, theoretically, receive three financial increases or rewards in one year, namely:

- General salary adjustment, negotiated in the bargaining council,*
- Personal salary notch increase; and*
- Cash bonus*

Rewards for outstanding performance need not be restricted to personal salary notch increases and cash bonuses. Some rewards should include offers like air tickets,

OPF001

Operational Plan Form

<i>Department</i>		<i>Section</i>	
<i>For Period</i>		<i>Date</i>	

<i>Vision, Mission and Values</i>	<i>Which of the municipality's development objectives is our department responsible for achieving, and how are we going to achieve them?</i>
<i>Vision</i>	
<i>Mission</i>	
<i>Values</i>	

<i>Project #1</i> <i>What is our main task?</i>				
<u><i>Outputs</i></u> <i>What must we do to achieve this objective?</i>	<u><i>Targets</i></u> <i>How much or how well must we do this?</i>	<u><i>Time Frame</i></u> <i>By when must we finish</i>	<u><i>Budget</i></u> <i>How much do we have to spend on this?</i>	<u><i>Responsibility</i></u> <i>Who is responsible for this output?</i>

<i>Project #2</i> <i>What is our main task?</i>				
<u><i>Outputs</i></u>	<u><i>Targets</i></u>	<u><i>Time Frame</i></u>	<u><i>Budget</i></u>	<u><i>Responsibility</i></u>

<i>Signatures</i>	<i>Has everyone in this section has this plan communicated to him/her</i>			
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Head</i>	<i>Supervisor</i>	<i>Supervisor</i>	<i>Employee</i>	<i>Employee</i>
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Employee</i>	<i>Employee</i>	<i>Employee</i>	<i>Employee</i>	<i>Date</i>

IWP001

Individual Work Plan Form

<i>Name</i>		<i>Section</i>	
<i>Department</i>		<i>Post Level</i>	

Project #1			
<i>What is my main Task?</i>			
<u>Outputs</u>	<u>Targets</u>	<u>Time Frame</u>	<u>Budget</u>
<i>What must I do to achieve this objective?</i>	<i>How much/how well must I do this?</i>	<i>By when must I finish?</i>	<i>How much do I have to spend?</i>

Project #2			
<i>What is my main Task?</i>			
<u>Outputs</u>	<u>Targets</u>	<u>Time Frame</u>	<u>Budget</u>

<u>Requirements for all Employees</u>	<u>I know that I must also</u>
<ol style="list-style-type: none"> 1. <i>Attend workshops, conferences or courses in line of my official duties where possible</i> 2. <i>Provide good, high quality services to the people I serve</i> 3. <i>Develop better verbal and/or written communication skills and learn how to solve problems peacefully</i> 4. <i>Be reliable, punctual, and attend my meetings</i> 5. <i>Have a professional appearance, be presentable, and friendly</i> 6. <i>Co-operate well with others, work in a team, and have good relationship with my colleague</i> 7. <i>Work hard, show commitment, drive and energy</i> 8. <i>Use my initiative, be resourceful, work creatively, and make</i> 	

<u>Signatures</u>
<p>_____</p> <p>Head of Division Employee Date</p>

QPR001

Quarterly Performance Review Form

<i>Name</i>		<i>Section</i>	
<i>Department</i>		<i>Post Level</i>	
<i>Quarter Under Review</i>		<i>Date of Appraisal</i>	

Project #1								
Outputs and Location (What?Where?)	Targets				Budgets			
	<i>Plan (year)</i>	<i>Plan (YTD)</i>	<i>Actual (YTD)</i>	<i>Rating</i>	<i>Plan (year)</i>	<i>Plan (TTD)</i>	<i>Actual (TTD)</i>	<i>Rating</i>
				0 1 2				0 1 2
				0 1 2				0 1 2
				0 1 2				0 1 2
				0 1 2				0 1 2
	Overall Evaluation			0 1 2	Overall Evaluation			0 1 2

Explanation for any delays or over-expenditure/Corrective action needed (if any)

*Note1: YDT=year to date(based on time),TTD=targets to date(based on unit price)

*Note2:For rating, 0=did not meet target; 1=achieved target; 2=exceeded target

Project #2								
Outputs and Location (What?Where?)	Targets				Budgets			
	<i>Plan (year)</i>	<i>Plan (YTD)</i>	<i>Actual (YTD)</i>	<i>Rating</i>	<i>Plan (year)</i>	<i>Plan (TTD)</i>	<i>Actual (TTD)</i>	<i>Rating</i>
				0 1 2				0 1 2
				0 1 2				0 1 2
				0 1 2				0 1 2
				0 1 2				0 1 2
				0 1 2				0 1 2
	Overall Evaluation			0 1 2	Overall Evaluation			

Corrective action needed (if any)

APA001

Annual Performance Appraisal

<i>Name</i>		<i>Section</i>	
<i>Department</i>		<i>Post Level</i>	
<i>Year Under Review</i>		<i>Date of Appraisal</i>	

Annual Appraisal	
1. Overall evaluation from 1 st quarter	0 1 2
2. Overall evaluation from 2 nd quarter	0 1 2
3. Overall evaluation from 3 rd quarter	0 1 2
4. Overall evaluation from 4 th quarter	0 1 2
TOTAL	

Overall Evaluation	Unsatisfactory 0 - 3	Satisfactory 4 - 5	Outstanding 6 - 8
Action	The Supervisor must select ONLY ONE ; no alteration or erasures are allowed		
<input type="checkbox"/>	This employee must be charged with incapacity and consistently poor work performance		
<input type="checkbox"/>	This employee must be awarded a salary notch increase in the next financial year		
<input type="checkbox"/>	This employee must be awarded both cash bonus at the end of a financial year and a salary notch increase next year		

_____	_____	_____
Head of Division	Employee	Date

RFA001

Request for Appeal Form

<i>Name</i>		<i>Section</i>	
<i>Department</i>		<i>Post Level</i>	
<i>Date of Appraisal</i>		<i>Date of Appeal</i>	

1. REQUEST FOR APPEAL

Which performance appraisal do you want to appeal against?

2. GROUNDS OF APPEAL

Why do you think that you should receive and appeal? What was wrong with the Appraisal?

3. DESIRED OUTCOMES OF APPEAL

What do you want to achieve by appealing?

4. ATTACHMENTS

I have attached a copy of...

Signature

Employee

Date

RFA001