

**APPROVED BY COUNCIL DURING ITS MEETING HELD ON 27  
SEPTEMBER 1999 PER ITEM 1/27/9/99 RESOLUTION NO.A1**

## **POLICY FRAMEWORK FOR THE ESTABLISHMENT OF A PERFORMANCE APPRAISAL / MANAGEMENT SYSTEM**

### **1. LEGISLATIVE FRAMEWORK**

**The policy framework is in accordance with applicable legislation, the most important of which are the following:**

The Constitution of South Africa, Act 108 of 1996 stipulates in S. 195 (b) that “efficient, economic and effective use of resources must be promoted”. It further states in S. 195 (h) that “good human resource management and career development practices, to maximise human potential, must be cultivated”.

The Skills Development Act, Act 97 of 1998 aims to develop the skills of the South African workforce to improve the quality of life of workers and their prospects of work and perceives skills development as contributing to the improvement of performance and productivity in the workplace as well as the competitiveness of employers.

The Municipal Systems Act places specific emphasis on performance management and obliges employers to implement a performance management system. It regards performance reviews as a platform to develop human resources and to hold municipal staff accountable to serve the public efficiently and effectively.

The combined effect of these Acts obliges the Municipality to establish and implement a performance management system with the dual purpose of improving the performance of its staff and to develop human resources. This will be accomplished by using the performance management system to identify the training and development needs of employees and to implement policies and programmes in response to these needs in order to improve the productivity of the organisation.

This policy is therefore based on legislative requirements and must be implemented to ensure compliance with these Acts.

### **2. PURPOSE AND BENEFITS OF PERFORMANCE APPRAISALS**

**The main objectives of the policy are:**

- To assist employees to improve their current performance and productivity
- To assess the training and development needs of employees and use these as a basis for a training and development policy
- To improve the job satisfaction of individual employees
- To ensure job performance is linked to the overall objectives of the Municipality
- To assist with career planning and succession planning
- To identify the potential and abilities of employees and provide focused organisational support
- To encourage good relations between employees and managers
- To identify poor performance and address it in a constructive manner focused on providing effective counselling, support and encouragement that will be to the benefit of the employee and the Municipality
- To establish and maintain a balance between the needs of employees and the requirements of the Municipality
- To assist with decisions related to the placement, transfer and promotion of employees and rewarding of outstanding performance.

**Employees will derive specific benefits from a performance appraisal in that it would:**

- Provide better insight in the job and clarify the duties and responsibilities associated with the job
- Enable employees to see where he/she fits into the municipal structure and can contribute to achieve the development objectives of the Municipality
- Assist employees to discover their own strengths, to recognize their weaknesses and to develop the knowledge, skills and attitudes to overcome these in order to fulfill their potential
- Enhance individual career development through informed decision-making and focused training

Enable employees to make full use of the opportunities presented by the implementation of employment equity.

### **Performance appraisals will assist the Municipality as the employer to:**

Provide employees with accurate information on how it views the job and the expectations associated with it

Evaluate the job analysis information and rectify faulty aspects thereof

Understand the role, duties and responsibilities of employees

Identify shortcomings in employment practices, procedures and policies

Delegate unambiguous and realistic responsibilities to employees

Assess the adequacy or inadequacy of resources available to employees

Identify and address training and development needs in a focused and structured manner so as to make use of the opportunities provided by the Skills Development Act

Develop the human resources of the Municipality.

### **3. PRINCIPLES UNDERLYING PERFORMANCE APPRAISALS**

The performance appraisal system is based on ethical and operational principles that serve to ensure the system is fair, equitable and achieve performance management as well as human resources development. These principles are as follows:

All employees in the Municipality will be treated equally by the performance appraisal system. The Labour Forum will oversee the development and implementation of the performance appraisal system. The guidelines used to design the appraisal system, implement it and reach conclusions and judgments about performance will be objective, balanced and will apply to all employees.

The appraisal system will be based on the job analysis of each job and linked to the goals of the Municipality. The job performance and not the individual will be assessed. Individual performance appraisals will be treated confidentially.

The performance objectives to be achieved by individual employees will be mutually agreed to by the employee to be appraised (the appraisee) and the person responsible for the appraisal (the appraiser). As such it will be transparent to all employees and the objectives will be reasonable, realistic and measurable.

Performance interviews will focus on open and honest discussion thus providing an employee with the opportunity to voice concerns and problems without fear of victimisation or discrimination.

Employees will receive continuous feedback on the results of the performance appraisals in a constructive manner that focuses on counseling rather than criticism. Such feedback will provide employees with an objective appraisal of the current situation and will be linked to appropriate steps to improve performance, including training and coaching objectives. Based on such feedback realistic time frames will be set for regular measurement of performance on the specific steps mutually agreed to by the appraiser and appraisee.

All aspects of performance appraisals will be done in a written form, which will be open to the scrutiny of the Municipality as the employer, should a situation arise that makes this necessary.

## **4. ROLEPLAYERS & RESPONSIBILITIES**

### **4.1 COUNCIL**

The Council is the political executive structure of the Municipality. As such it must ensure that legislation pertaining to performance management is implemented in a manner that is in accordance with governmental requirements but also focused on the development of the Council's human resources.

The criteria to be used by the Council are stipulated in the Municipal Systems Act. The latter obliges the Council to set performance indicators and targets based on the Integrated Development Plan of the Council, to evaluate performance on these, to take steps to improve performance and to do regular reporting to the provincial MEC, the Minister of Constitutional Development and the community.

The Council must therefore oversee and monitor the design, implementation and evaluation of the performance appraisal system for staff members and ensure the set objectives are in line with the developmental obligations of the Council.

The performance appraisals of senior managerial employees will be the responsibility of the Council.

### **4.2 MUNICIPAL MANAGER**

The Municipal Manager in co-operation with the Managers directly accountable to him as the administrative executive structure of the Municipality is vested with the

accountability to ensure, on behalf of the Council, the implementation of a system for measuring and evaluation staff performance at regular intervals. This includes the establishment of performance standards, measuring performance against these standards, taking corrective steps where substandard performance is identified and rewarding exceptional performance.

### **4.3 LABOUR FORUM**

The Labour Forum, as a representative and legitimate body comprising all the organisational stakeholders in the performance management system, these being the Council, the Municipal Manager, the trade unions and the personnel division on an operational level; is vested with the power to take direct responsibility for the introduction, design, implementation and monitoring of the system and making recommendations regarding these matters to the Council.

As such the Labour Forum must ensure that a culture and work situation conducive for a performance appraisal system is established and maintained, that the system is designed to take individual employee needs into consideration and provides a mechanism for resolving disputes concerning the implementation of the system.

The design of the system will include agreement on the standards to be set, the criteria underlying performance measurement and the content and format of the different phases of the system, the training to be provided to appraisers and a reporting mechanism for managers via the personnel division to the Labour Forum to ensure the training and development needs of staff are interpreted, structured and fulfilled through a training and development policy and programme. Specific measures on how to introduce the system to illiterate employees and assist them where necessary will be agreed to.

Monitoring of the implementation of the system and evaluation of the effectiveness of the system will include establishing a reporting mechanism for the personnel division to the Labour Forum based on regular consolidated departmental reports to be obtained by the personnel division from managers or supervisors vested with the responsibility to do performance appraisals. Such reports should highlight progress with the implementation of the system, specific successes or failures, problems experienced and any related matters that could best be addressed by the Labour Forum.

During the establishment phase of the system the Labour Forum will report to Council on a quarterly basis. Thereafter reporting will be done on an annual basis. The report will be a consolidated report concerning all departments based on the information received. The report will identify perceived shortcomings of the system and will contain specific recommendations on how to make the system more effective.

#### **4.4 HUMAN RESOURCE DIVISION**

On a functional level the Human Resource division will prepare proposals on the matters to be addressed by the Labour Forum for written submission to the, assist the Labour Forum to review this policy on a continuous basis in accordance with legislative requirements and advise the Labour Forum on any practices, procedures or policies to be established to complement the effectiveness of the performance management system.

Under the auspices of the Labour Forum it will on an operational level assist individual departments, managers and appraisers to fulfill their obligations in terms of this policy. This will include assistance with matters incidental to establishing and maintaining a culture and work situation conducive for performance appraisal, the formulation of work methods on how to obtain the necessary data relevant to the performance appraisal, the provision of standardised rating sheets for non-supervisory and supervisory personnel, more detailed information on the format and procedure of the performance appraisal interviews, the formulation of performance questionnaires for peer and personal evaluation reviews pertaining to middle and senior managerial employees, guidance on how to approach the feedback process based on the results of interviews and the formulation of questionnaires to be used by appraisers and appraisees to evaluate the effectiveness of the performance appraisal system.

The personnel division will ensure the procedure agreed on by the Labour Forum to assist illiterate employees is implemented. It will oversee the training of appraisers and obtain the relevant information needed to prepare and submit reports required by the Labour Forum. Such reports will be submitted in the format agreed on by the Labour Forum.

Any disputes concerning the system will be received by the personnel division and channeled to the Labour Forum after investigation thereof and ensuring all information relevant to the dispute is properly documented.

#### **4.5 MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER**

Managers directly accountable to the Municipal Manager will ensure that the job analyses on which performance appraisals will be based are completed, regularly updated and in line with the requirements of the jobs and the overall objectives of the Council based on its Integrated Development Plan.

They will co-operate with the Human Resource Division in the implementation of the system and ensure all relevant matters are addressed. Managers directly accountable to the Municipal Manager will take responsibility to ensure performance appraisal interviews are done on a regular basis by the appraisers within their respective departments, co-ordinate the results thereof and compile departmental reports on the

progress with implementation of the system, successes and failures thereof and problems experienced. These will be submitted to the human resource department to enable them to compile a consolidated report for submission to the Labour Forum.

Based on the results of the performance interviews, the managers directly accountable to the Municipal Manager will identify the training needs of individuals and/or the department as a whole and submit written proposals on these to the personnel division for channeling to the Labour Forum.

Managers directly accountable to the Municipal Manager will assist the human resource division to obtain and evaluate data relevant to a dispute referred to the Labour Forum via the human resource division.

#### **4.6 APPRAISORS**

The appraisals of lower level employees will be carried out by their immediate supervisor or line manager who has the best knowledge of the content of the job concerned and in a position to observe the employee's performance on a daily basis. If no suitable supervisor or line manager is available to do the performance appraisal, the head of the department will take responsibility for the performance appraisal. If an employee is of the opinion that exceptional circumstances exist which requires a co-appraiser to be present at the appraisal interview, the matter must be taken up with the relevant department head. In such circumstances a Human Resource Officer could also fulfill the role of a co-appraiser.

Managers directly accountable to the Municipal Manager will be responsible for the performance interview with middle management employees. The option of requesting a co-appraiser to be present at the interview must also be available to these employees. Pre-designed peer review questionnaires will be completed for employees on post levels 4 to 8 and submitted to the appraiser to be integrated with the other data to be obtained for the performance interview. The results of these questionnaires will be dealt with on a confidential basis.

The performance appraisal of the Municipal Manager and managers directly accountable to the Municipal Manager on post levels 1 to 3 will be the responsibility of the Council. In accordance with the Municipal Systems Act, the Council will pre-determine specific performance indicators and targets based on the Integrated Development Plan of the Council. The performance appraisal will consist of a report on his/her individual performance and that of his/her department / division on the development objectives of the IDP to be submitted to Council by each individual prior to the interview, the submission of confidential peer review questionnaires completed by senior managerial personnel on each individual, prior to the interview and a performance appraisal interview conducted by Council with each of the individuals concerned. This will be done on an



annual basis and adequate preparation time to complete reports, questionnaires and prepare for interviews will be afforded to the individuals so concerned.

#### **4.7 APPRAISEES**

In accordance with legislative requirements, specifically the Municipal Systems Act, the entire staff component of the Council will be required to participate in the performance appraisal system. This is necessary since recognition for performance cannot be done unless performance is appraised.

### **5. TIME AND PLACE OF APPRAISALS & FEEDBACK**

The first formal performance appraisals will take place three months after introduction of the system and thereafter on an annual basis. The steps to be taken to rectify substandard performance or enable continued support, coaching and counseling based on the results of the annual performance appraisal will be implemented on a continuous basis determined by the circumstances of each individual case. These performance meetings will be of a more informal nature but will be recorded in writing.

The time and place of annual interviews must be mutually agreed between the appraiser and appraisee. An employee will not be given less than two weeks to prepare for the appraisal interview. The time allowed for the actual interview will vary according to the complexity of the job and each individual's circumstances.

The place where the interview will be conducted must be comfortable for both the appraiser and the appraisee and care will be taken that the place is quiet, no interruptions will occur during the duration of the interview and confidentiality is protected.

Feedback on the performance appraisal will be given to an employee within one week of conducting the interview.

### **6. PHASES OF THE PERFORMANCE APPRAISAL SYSTEM**

#### **6.1 ESTABLISH A CULTURE AND WORK SITUATION CONDUCIVE FOR PERFORMANCE APPRAISAL**

This phase consists of activities focused on establishing and maintaining a culture and work situation conducive for the implementation and maintenance of a performance appraisal system and establishing a factual foundation for the system. As part of this

phase, which of necessity will be running concurrently with the other phases, the following activities will be embarked on:

To introduce the system an internal brief of which the contents must be agreed on by the Labour Forum and approved by Council will be circulated to all departments and employees via formal communication channels and specifically with the assistance of the trade union and non-aligned representatives. The brief will inter alia explain the legislative obligations underlying the system, the phases that will be followed and the principles that will be adhered to by the Council.

The system will be regularly reviewed by the Labour Forum, and in doing so, appraisee and appraiser evaluations and constructive suggestions will, where possible, be incorporated to ensure the system is organization-specific while adhering to the legislative framework. Amendments to the system will be communicated to departments and employees in the same manner as outlined above.

To establish and maintain a factual basis for the performance appraisal, the job analysis of each job in the Municipality will be completed and regularly updated. Based on the job analysis the appraisers and appraisees will determine mutually agreed to performance criteria, based on a format pre-designed by the personnel division and approved by the Labour Forum for standardization and equality purposes, and document these with a copy to both parties.

## **6.2 PERFORMANCE APPRAISAL PREPARATION**

It is vital that the appraiser and appraisee must co-operate in preparation for the appraisal interview to ensure all data relevant to objectively appraise performance is available for the interview. Such data will include the job analysis, a rating sheet containing the pre-determined performance criteria and completed by the appraisee and appraiser separately and prior to the interview, and, if applicable, the completion, receipt and integration of peer review questionnaires by the appraiser.

To enable a holistic perspective of the job, the position fulfilled by the job in the department, its relation to other jobs whether complimentary to these or a necessary prerequisite for other jobs to be accomplished and the overall position of the job within the organization and in alignment with organizational objectives must be determined by the appraiser.

All the data collected will be condensed in a pre-interview report by the appraiser and the appraisee will be provided with a copy thereof prior to the interview.

The appraisee must be informed that the appraisal interview is an interactive process to give constructive recognition to the duties fulfilled by the employee and to pinpoint areas where the employee can develop further. The appraisee must be reminded to submit supporting evidence for any achievement or problem.

### **6.3 PERFORMANCE APPRAISAL INTERVIEW**

The appraisee must receive the pre-interview report and other relevant information not less than one week prior to the interview. The structure of the interview must be pre-planned by the appraiser to ensure the relevant issues are addressed and required results achieved. Questions to be dealt with must cover the following areas:

Clarification of the purpose and aims of the performance appraisal

Clarification of the position of the appraisee's job within the context of departmental and organizational aims and objectives

Discussion of the accuracy of the job analysis and any problems associated with it including confirmation of core tasks and associated responsibilities

Confirmation of the pre-determined performance criteria

Discussion of the objectives achieved

Recognition of personal and professional achievements

Agreement on the areas for improvement

Agreement on new objectives

Prioritization of objectives and the setting of goals, targets and action plans

Based on the objectives and goals, identification of training and development needs to be addressed by formal training and/or on-the-job support and coaching

Establishment of a time frame for the goals and targets to be achieved

Agreement on the frequency of formal performance appraisal meetings based on the goals and targets and the time frames for these to be met.

The feedback given to the appraisee at the interview must focus in a positive manner on all aspects measured in terms of the appraisal. The approach must be constructive, offering suggestions rather than be predominantly reprimanding. The steps to be taken to rectify problem areas and the time frame in which such steps will be implemented must be realistic and achievable while being mutually agreed on by the appraiser and appraisee.

The appraiser is responsible to compile a written report of the appraisal interview. A copy of this report and a confirmation copy of the action plan must be sent to the head of the department and the appraisee.

If training is required, the appraiser must communicate such requirements to the personnel division within one week after the appraisal interview. Such communication must be done using the channels agreed on by the Labour Forum.

#### **6.4 MONITORING PROGRESS OF PERFORMANCE OBJECTIVES**

The appraiser must follow up on the action plan with the appraisee within one week after receipt thereof by the appraisee to re-confirm the time frames and establish a reporting procedure based on the standardized performance progress report designed by the personnel division. On an informal level the appraiser must observe the progress made by the appraisee, motivate him/her to implement the action plan, recognize his/her efforts by giving praise where it is deserved, tactfully redirect misguided actions and provide the employee with support in solving observed or reported problems.

The appraisee must take responsibility for the implementation of his/her own action plans and the submission of progress reports to the appraiser. Any problems experienced must immediately be communicated to the appraiser.

The appraiser must explain to the appraisee what departmental and organizational systems are available to assist him/her. The appraiser must note that he/she is party to the mutually agreed plan of action and should therefore be committed to ensure that the appraisee puts the plan into action. The appraiser must regard encouragement and support as part of an exercise to build trust, mutual respect and trust.

### **7. EVALUATION AND REVIEW OF THE PERFORMANCE APPRAISAL SYSTEM**

The appraisal system must be evaluated at different levels as indicated:

On an individual level an evaluation of the system will be based on an evaluation by appraisees and appraisers and these evaluations will be submitted to the respective heads of departments.

On a departmental level an evaluation must be executed by each head of a department taking into consideration the forms submitted by the appraisers and appraisees and his/her own observations. The heads of departments must present their first evaluation reports to the personnel division within three months of implementation of the system and thereafter on an annual basis.

The personnel division must receive, analyze and integrate the departmental reports into a consolidated evaluation report to be submitted to the Labour Forum.

On an organizational level the Labour Forum must evaluate the performance appraisal system based on the consolidated report submitted by the personnel division and with specific recommendations to the Council.

All the forms necessary to do such evaluations must be compiled by the personnel division and agreed on by the Labour Forum.

## **APPENDICES**

The following documents will be appendices to this policy:

Standardized job analysis form and guidelines

Training guidelines applicable to appraisers

Standardized performance rating sheets for non-supervisory and supervisory personnel

Standardized personal rating questionnaires for appraisers and appraisees

Standardized peer review rating questionnaires

Standardized interview procedure and process report

Standardized performance progress report

Standardized performance appraisal evaluation forms for appraisees, appraisers and heads of departments.

These documents will be designed by the personnel division in consultation with the Job Analysis and Performance Management Task Team and submitted to the Labour Forum where these will be discussed, amended and agreed on before submission to the Council. The documents will be added as formal appendices after approval thereof by the Council

**THIS WAS DONE AT MODIMOLLE ON THE .....DAY OF FEBRUARY  
2006 AND ASSENTED TO BY THE MUNICIPAL MANAGER.**

.....  
**M P SEBATJANE  
MUNICIPAL MANAGER**