Appendix A



PERFORMANCE AGREEMENT

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MADE AND ENTERED INTO BY AND BETWEEN:

THE MUNICIPALITY OF MATJHABENG AS REPRESENTED BY THE MUNICIPAL MANAGER

G RAMATHEBANE

AND

THE EMPLOYEE OF THE MUNICIPALITY EXECTIVE DIRECTOR LOCAL ECONONIC DEVELOPMENT AND PLANNING

FOR THE

FINANCIAL YEAR: 1 JULY 2013 - 30 JUNE 2014

Performance Agreement - LED & Planning (2013/2014)



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PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN

The Municipality of Matjhabeng herein represented by G Ramathebane in his capacity as Municipal Manager (hereinafter referred to as the Employer)

And

Xolela Msweli, an Employee of the Municipality of Matjhabeng (hereinafter referred to as the Employee, in his capacity as Executive Director LED & Planning.

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- 1.1 The Employer has entered into a contract of employment with the Employee in terms of section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred as "the Parties".
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual Performance Agreement.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

- 2.1 Comply with the provisions of Section 57(1)(b),(4A) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;
- 2.2 Specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;

- 2.3 Specify the Employee's accountabilities as set out in the performance objectives;
- 2.4 Monitor and measure performance against set targeted outputs;
- 2.5 Use the Performance Agreement as the basis for assessing the suitability of the Employee for permanent employment and/or to assess whether the Employee has met the performance expectations applicable to his/her job;
- 2.6 Appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance; and
- 2.7 Give effect to the Employer's commitment to a performanceorientated relationship with the Employee in attaining equitable and improved service delivery.

3. DELIVERY

- 3.1 This Agreement will commence on the 01 July 2013 and will remain in force until 30 June 2014 where after a new Performance Agreement and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.
- 3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4. PERFORMANCE OBJECTIVES

- 4.1 The performance objectives sets out -
 - 4.1.1 The performance objectives and targets that must be met by the Employee; and
 - 4.1.2 The time frames within which those performance objectives and targets must be met.
- 4.2 The performance objectives and targets reflected are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include key objectives; key performance indicators; target dates and weightings.
- 4.3 The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.
- 4.4 The Employee's performance will, in addition, be measured in terms of contributions to the gaols and strategies set out in the Employer's Integrated Development Plan.

5. PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

- 5.1 The Employee agrees to participate in the Performance Management and Development System that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer.
- 5.2 The Employee accepts that the purpose of the Performance Management and Development System will be to provide a comprehensive system with specific performance standards to assist the Employer, management and municipal staff to perform to the standards required.
- 5.3 The Employer will consult with the Employee about the specific performance standards that will be included in the Performance Management and Development System as applicable to the Employee.

- 6. THE EMPLOYEE AGREES TO PARTICIPATE IN THE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM THAT THE EMPLOYER ADOPTS.
 - 6.1 The Employee undertakes to actively focus towards the promotion and implementation of the Key Performance Areas KPA's (including special projects relevant to the employee's responsibilities) within the local government framework.
 - 6.2 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.
 - 6.2.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Managerial Competencies (CMC's) respectively.
 - 6.2.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
 - 6.2.3 KPA's covering the main areas of work will account for 80% and CMC's will account for 20% of the final assessment.
 - 6.3 The Employee's assessment will be based on his/her performance in terms of the outputs/outcomes (performance indicators) identified, which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee.
 - 6.4 The CMC's will make up the other 20% of the Employee's assessment score. CMC's that are deemed to be most critical for the Employee's specific job are reflected in the list below as agreed to between the Employer and Employee.

7. PERFORMANCE EVALUATIONS

- 7.1 The performance objectives sets out
 - 7.1.1 The standards and procedures for evaluating the Employee's performance; and
 - 7.1.2 The intervals for the evaluation of the Employee's performance.
- 7.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force.

- 7.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.
- 7.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan (IDP).
- 7.5 The annual performance appraisal will involve:
 - 7.5.1 Assessment of the achievement of results as outlined in the performance plan:
 - 7.5.1.1. Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.
 - 7.5.1.2. An indicative rating on the five-point scale should be provided for each KPA.
 - 7.5.1.3. The applicable assessment rating calculator (refer to paragraph 7.5.3 below) must then be used to add the scores and calculate a final KPA score.
 - 7.5.2 Assessment of the CMC's
 - 7.5.2.1. Each CMC should be assessed according to the extent to which the specified standards have been met.
 - 7.5.2.2. An indicative rating on the five-point scale should be provided for each CMC.
 - 7.5.2.3. The applicable assessment rating calculator (refer to paragraph 7.5.1) must then be used to add the score and calculate a final CMC score.
 - 7.5.3 Overall rating

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

7.6 The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CMCs:

Levei	Terminology	Description			₹at	ing	
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.					
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee 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	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
2	Not fully effective	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 employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.					
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that they employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee 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.	- Constraint				

7.7 For purposes of evaluating the performance of the Employee, an evaluation panel constituted of the following persons will be established –

- 7.7.1 Municipal Manager;
- 7.7.2 Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a performance audit committee;
- 7.7.3 Member of the Mayoral Committee or Executive committee or in respect of a plenary type municipality, another member of council; and
- 7.7.4 Municipal Manager from another Municipality.

8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1 The performance of each Employee in relation to his/her performance agreement shall be reviewed on the following dates with the understanding reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter : July – September 2013

Submission of evidence : 30 October 2013 Evaluation : 15 November 2013

Second quarter : October-December 2013

Submission of evidence : 30 January 2014 Evaluation : 15 February 2014

Third quarter : January-March 2014

Submission of evidence : 30 April 2014
Evaluation : 15 May 2014
Fourth quarter : April-June 2014
Submission of evidence : 30 July 2014

Evaluation : 15 August 2014

- 8.2 The Employer shall keep a record of the mid-year review and annual assessment meetings.
- 8.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance.
- 8.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure A from time to time for operational reasons. The Employee will be fully consulted before any such change is made.
- 8.5 The Employer may amend the provisions for performance objectives whenever the Performance Management and Development System is adopted, implemented and/or amended as

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- 11.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and
- 11.1.3 A substantial financial effect on the Employer.
- 11.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 11.1 as soon as is practicable to enable the Employee to take any necessary action with delay.

12. MANAGEMENT OF EVALUATION OUTCOMES

- 12.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 12.2 A performance bonus between 5% to 14% of the Employees inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance.
- 12.3 The Employee will be eligible for progression to the next higher remuneration package, within the relevant remuneration band, after completion of at least twelve months (12) service at the current remuneration package on 30 June (end of financial year) subject to a fully effective assessment.
- 12.4 In the case of unacceptable performance, the Employer shall -
 - 12.4.1 Provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and
 - 12.4.2 After appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

13. DISPUTE RESOLUTION

13.1 Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or any other matter provided for, shall be mediated by –

- 13.1.1 The MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the Employee; or
- 13.1.2 Any other person appointed by the MEC.
- 13.2 In the event that the mediation process contemplated above fails, clause 16 of the Contract of Employment shall apply.

14. GENERAL

- 14.1 The contents of this agreement and the outcome of any review conducted in terms of the performance objectives and agreement may be made available to the public by the Employer.
- 14.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his/her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

15. PERFORMANCE PLAN

- 15.1 The Performance Plan defines the Council's expectations of the Municipal Manager's performance agreement to which this document is attached and Section 57 (5) of the Municipal Systems Act, which provides that performance objectives and targets must be based on the key performance indicators as set in the Municipality's Integrated Development Plan (IDP) and as reviewed annually.
- 15.2 The following Performance Plan provides the details of the evidence that must be provided to show that a key objective has been obtained. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

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	B) Core Competency Requiremen	
	Core Managerial Competencies	Weight
1	Strategic Capability	
2	Programme and Project Management	
3	Financial Management	
4	Change Management	
5	Knowledge Management	
6	Service Delivery Innovation	
7	Problem Solving and Analytical Thinking	
8	People and Diversity Management	
9	Client Orientation and Customer Focus	
10	Communication	
11	Accountability and Ethical Conduct	
12	Policy Conceptualisation and implementation	
13	Mediation skills	
14	Advanced negotiation skills	
15	Advanced influencing skills	
16	Partnership and Stakeholder Relations	
17	Supply Chain Management	
	Total (Cannot exceed 100%)	100

16. PERSONAL DEVELOPMENT PLAN (PDP)

- 16.1 A Municipality should be committed to -
- a) The continuous training and development of its employees to achieve its vision, mission and strategic objectives and empower employees; and
- b) Managing training and development within the ambit of relevant national policies and legislation.
- 16.2 A Municipality should follow an integrated to Human Resources management, that is:

- a) Human Resources development forms an integral part of human resources planning and management.
- b) In order for training and development strategy and plans to be successful, it should be based on sound Human Resources (HR) practises, such as the (strategic) HR plan, job profiles, the result of regular performance appraisals and career pathing.
- c) To ensure the necessary linkages with performance management, the Performance Management and Development System, provides for the Personal Development Plans to be included in their annual performance agreements. Such approach will also ensure the alignment of the individual performance objectives with municipality strategic objectives, and that training and development needs can be indentified through performance management and appraisal.
- d) Career-pathing ensures that employees are placed and developed in jobs according to aptitude and identified potential. Through training and development they can acquire the necessary competencies to prepare them for future positions.
- e) Personal Development Plans are compiled for individual employees and the data collected from all the employees in the municipality, forms the basis for the Work Place Skills Plan, which municipalities are required to compile as basis for all training and education activities in the municipality in a specific financial year and report on progress made to the Local Government Sector Education and Training Authority.
- 16.3 The aim of the PDP is to identify, prioritise and implement training needs.
- 16.4 Compiling the PDP (Appendix A):
- a) Competency assessment instruments should be established and utilised to assist with the objective assessment of employees' competencies against their job specific competency profiles and managerial competencies at a given period in time with the purpose of identifying trainings needs or gaps.
- b) Training needs should be aligned to organisation objectives and the individual's specific job (objectives and competencies) and secondly focused on individual career needs; however this needs to be position related.

- c) Next the training needs to be prioritised (1 to......), since it may not be possible to address all the identified training needs within a specific financial year. Training needs to be addressed in a phased and prioritised basis.
- d) Consideration must be given to the expected outcomes, column 2; so that once the intervention is completed the impact can be measured against the relevant indicators.
- e) An appropriate training intervention should be identified and the outcome to be achieved but with due regard to cost effectiveness. These should be listed in column 3.
- f) Guidelines regarding the number of training days per employee and the nominations of employees: an employee should on average have at least five (5) days per financial year and not unnecessarily withdrawn from training interventions.

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- g) Column 4: The suggested mode of delivery refers to chosen methodology that is deemed most relevant to ensure transfer of skills. The training intervention should impact on delivery back in the work place.
- h) The suggested time frames (Column 5) enables managers to effectively plan for the annum e.g. so that not all employees are away at the same time.
- Work opportunity provided to practise skill/development areas (Column 6) further ensure internalisation of information gained as well as return on investment.
- j) Column 7: Provides the employee with a support person that could act as coach or mentor with regard to the area of development.



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Appendix A

PERSONAL DEVELOPMENT PLAN OF X MSWELI Compiled on (Date):

7. Support Person	Senior Manager, Training		
6. Work Opportunity created to practice skill / development area	Appraisals of managers reporting to him		
5. Suggested Time Frames	March 09		
4. Suggested Mode of Delivery	External provider in line with unit standard, not exceeding R6000		
3. Suggested Training and/ or Development Activity	 PM course (theoretical and practical) Coaching in work place Indicate unit standards 		
2. Outcomes Expected (measurable indicators: quality, quantity, time frames)	The manager will be able to enter into PM contracts with all direct reports/appraise them against set criteria with the next quarter		
1. Skills / Performance Gap (in order of priority)	Example: Appraise performance of managers	÷	6

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7. Support Person				
6. Work Opportunity created to practice skill / development	4 4 5 6 7 6 7 7 8 9 9 9 9 9 9 9 9 9 9			
5. Suggested Time Frames				
Suggested Mode of Delivery				
3. Suggested Training and/ or Development Activity				
2. Outcomes Expected (measurable indicators: quality, quantity, time frames)				
Skills / Performance Gap (in order of priority)	က်	4	က်	ωġ

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Thus done and signed at without of 2013.	on this the 11th day
AS WITNESSES:	
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Thus done and signed at2013.	_ on this the day of
AS WITNESSES:	
1	MUNICIPAL MANAGER
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Appendix B

L		Generic Core Manageme	Generic Core Management Criteria (CMC) and Standards
	Criteria	Description	Generic Standards for 'fully effective' Performance
	1. Strategic Capability And Leadership	Provides a vision, sets the direction for the organization and/or unit and inspires others to deliver on the organizational mandate	 ♦ Gives direction to team in realizing the organization's strategic objectives; ♦ Impacts positively on team morale, sense of belonging and participation; ♦ Develops detailed action plans to execute strategic initiatives; ♦ Assists in defining performance measures to evaluate the success of strategies; ♦ Achieves strategic objectives against specified performance measures; ♦ Translates strategies into action plans; ♦ Secures co-operation from colleagues and team members; ♦ Seeks mutual benefit/win-win outcomes for all concerned; ♦ Supports stakeholders in achieving their goals; ♦ Inspires staff with own behavior – "walks the talk"; ♦ Manages and calculates risks; ♦ Communicates strategic plan to the organization; and
NE	2. Program and Project Management	Plans, manages, monitors and evaluates specific activities in order to deliver the desired outputs and outcomes.	 ♦ Utilizes strategic planning methods and tools. ♦ Establishes broad stakeholder involvement and communicates the project status and key milestones; ♦ Defines roles and responsibilities for project team members and clearly communicates expectations; ♦ Balances quality of work with deadlines and budget; ♦ Identifies and manages risks to the project by assessing potential risks and building contingencies into project plan; ♦ Uses computer software programs to help manage project; and
\(\times \)	3. Financial Management	Compiles and manages budgets, controls cash flow, institutes risk	Sets and manages service level agreements with contractors.



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Matjhabeng Local Municipality

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	knowledge and learning in order to enhance the collective knowledge of the organization.	 Uses modern technology to stay abreast of world trends and information; Evaluates information from multiple sources and uses information to influence decisions; Creates mechanisms and structures for sharing of knowledge in the organization; Uses libraries, researchers, knowledge specialists and other
		knowledge bases appropriately to improve organizational efficiency; \$\rightarrow\$ Promotes the importance of knowledge sharing within own area; \$\rightarrow\$ Adapts and integrates information from multiple sources to create innovative knowledge management solutions; and \$\rightarrow\$ Nurtures a knowledge-enabling environment.
6. Service Delivery Innovation	Champions new ways of delivering services that contribute to the	♦ Consults clients and stakeholders on ways to improve the delivery of services:
	improvement of organizational processes in order to achieve	♦ Communicates the benefits of service delivery improvement opportunities to stakeholders;
	organizational goals.	§ Identifies internal process improvement opportunities to SDI;
		 Demonstrates tull knowledge of principles on service delivery innovations;
		♦ Identifies and analyses opportunities where innovative ideas can lead to improved service delivery.
		\$\langle Creates mechanisms to encourage innovation and creativity within
		functional area and across the organization; and
		◊ Implements innovative service delivery options in own department/organization.
7. Problem Solving	Systematically identifies analyses	♦ Explains potential impact of problems to own working environment:
and Analysis	and resolves existing and anticipated problems in order to	♦ Demonstrates logical problem solving approach and provides
	reach optimum solutions in a timely	♦ Determines root causes of problems and evaluates whether solutions
	manner.	address root causes;
		O Demonstrates objectivity, thoroughness, insight fullness, and probing
- 111, III		ochaviors when approaching problems; and



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		♦ Demonstrates the ability to break down complex problems into manageable narts and identify solutions
8. People Management And Empowerment	Manages and encourages people, optimizes their outputs and effectively manages relationships in order to achieve organizational goals.	 ♦ Seeks opportunities to increase personal contribution and level of responsibility; ♦ Supports and respects the individuality of others and recognizes the benefits of diversity of ideas and approaches; ♦ Delegates and empowers others to increase contribution and level of responsibility; ♦ Applies labour and employment legislation and regulations consistently; ♦ Recognizes individuals and problem solving; ♦ Recognizes individuals and teams and provides developmental feedback in accordance with performance management principles; ♦ Adheres to internal and national standards with regards to HR practices; ♦ Deals with labour matters; ♦ Identifies competencies required and suitable resources for specific tasks; ♦ Displays personal interest in the well-being of colleagues; ♦ Able to manage own time as well as time of colleagues and other stakeholders; and ♦ Manages conflict through a participatory transparent approach.
9. Client Orientation And Customer Focus	Willing and able to deliver services effectively and efficiently in order to put the spirit of customer service (Batho Pele) into practice.	 ♦ Develops clear and implementable service delivery improvement programs; ♦ Identifies opportunities to exceed the expectations of customers; ♦ Designs internal work processes to improve customer service; ♦ Adds value to the organization by providing exemplary customer service; and ♦ Applies great man right in our part of the organization by providing exemplary customer service;
10. Communication	Exchanges information and ideas in a clear and concise manner	♦ Expresses ideas to individuals and groups both in formal and informal settings in an interesting and motivating way:



	appropriate for the audience in	♦ Receptive to alternative viewpoints;
	order to explain, persuade,	Adapts communication content and style according to the audience
	convince and influence	including managing body language effectively;
	others to achieve the desired	♦ Delivers messages in a manner that gains support, commitment and
	outcomes.	agreement;
		◊ Writes well structured complex documents;
		♦ Communicates controversial sensitive messages to stakeholders
		tactfully;
		♦ Listens well and is receptive; and
THE PARTY AND A STREET AND A ST		♦ Encourages participation and mutual understanding.
11. Honesty and	Displays and builds the highest	♦ Conducts self in accordance with organizational code of conduct:
Integrity	standards of ethical and moral	♦ Admits own mistakes and weaknesses and seeks help from others
	conduct in order to promote	where unable to deliver;
	confidence and trust in the Public	◊ Reports fraud, corruption, nepotism and maladministration;
	Service	♦ Honours the confidentiality of matters and does not use it for
		personal gain or the gain of others;
		◊ Discloses conflict of interests issues;
		◊ Establishes trust and shows confidence in others;
		◊ Treats all employees with equal respect;
		♦ Undertakes roles and responsibilities in a sincere and honest manner;
		♦ Incorporates organizational values and beliefs into daily work;
		◊ Uses work time for organizational matters and not for personal
		matters; and
		♦ Shares information openly, whilst respecting the principle of
		confidentiality.

