Frances Baard District Municipality
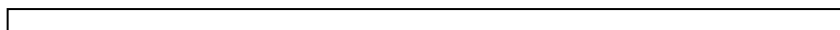
Upgraded Performance Management Policy

*Approved: 21 **November 2006***

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PERFORMANCE MANAGEMENT POLICY

1. BACKGROUND AND PURPOSE OF THE PM-SYSTEM

The Municipal Systems Act of 2000 and the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers of 2006, provide for the establishment and implementation of a performance management system for each and every municipality in South Africa. In order to comply with legislation and to improve on good governance and service delivery it is essential for the municipality to adopt a policy on performance management.

The performance policy framework will provide guidance in terms of the municipality's cycle and processes of performance planning, monitoring, measuring, reviewing, reporting, auditing and quality control. The Performance Management Policy as informed by the Municipal Systems Act (2000) and the Municipal Performance Regulations (2006) outlines the following aspects of performance management:

- The requirements a performance management system will need to fulfil;

- The principles that will inform its development and use;

- The model that describes what areas of performance which will be managed in the Frances Baard District Municipality;

- The process by which the system will work, and the delegation of responsibilities for different roles in the process;

- The action plan for development and implementation of the system.

The PM-System regulated by an adopted Performance Management Policy will provide Council with a tool to identify key performance areas (KPA's), key performance indicators (KPI's) and priority targets that will stretch the performance of the municipality. It will further assist the municipality to implement a system of accountability by measuring the performance and effectiveness of Council and its administration.

2. KEY CONCEPTS

A critical part of building a well-capacitated Performance Management System is to establish a sound theoretical foundation. In obtaining this it is imperative to have a mutual understanding of the key concepts and the most fundamental terminology used in the field of Performance Management.

The following concepts are crucial in the understanding and effective implementation of the PM-System:

Concept	Definition
Performance Management System (PMS)	The performance management system is used to ensure that all segments of the municipality work together to achieve the goals and targets set for the municipality.
Organisational Performance Management (0PM)	Concerned with the overall performance of the municipality in relation to giving effect to the IDP of the municipality.
Individual Performance Management (IPM)	Each individual staff member will have performance objectives, targets and standards that are linked to the objectives of the section, the department and the municipality as a whole.
Integrated Development Plan (IDP)	A clearly defining 5-year strategic plan for the municipality that should be reviewed annually.
Key Performance Area (KPA)	Key areas of responsibility.
Key Performance Indicator (KPI)	Qualitative or Quantitative measures that tell us whether the municipality is making progress towards achieving the desired objectives and results.
Objectives	Statements about the outcomes the municipality wants to achieve.
Input Indicators	Indicators that measures resources, economy and efficiency.
Output Indicators	Indicators that measures whether a set of activities yield.

Concept	Definition
Outcome Indicators	Measure the broader results and impact of services on communities.
Targets	The level of performance achieved by a specific time.
Baseline Indicators	Indicating the status quo before the start of a programme. The base from which progress will be measured.
Benchmarking	Refers to a process whereby an organisation of a similar nature uses each other's performance as a collective standard against which to measure their own performance.

3. A DEFINITION OF PERFORMANCE MANAGEMENT

"A performance management framework that describes and represents how the municipal cycle and processes of performance planning, monitoring, measurement review, reporting and improvement will be conducted, organised and managed, including determining roles of the different role-players."

4. LEGISLATIVE FRAMEWORK

The Auditor General is required to audit municipalities for compliance with legislation applicable to performance management and therefore the following legislation will be relevant in this regard:

Concept	Definition
Constitution 1996 (Section 152)	Mandates Local Government to: 1. Provide democratic and accountable government for local communities. 2. Ensure the provision of sustainable municipal services to communities. 3. Promote social and economic development. 4. Promote a safe and healthy environment. 5. Encourage the involvement of communities in the matters of local government.

Concept	Definition
Municipal Systems Act (Act 32 of 2000, Chapter 6).	A Municipality must: 1. Establish a Performance Management System. 2. Promote a performance culture. 3. Administer its affairs in an economical, and accountable manner. A Performance Management System must be able to: 1. Set KPI's for measuring Performance. 2. Set measurable performance Targets. 3. Monitor and review performance. 4. Improve performance. 5. Report on performance.
White Paper on Service Delivery (Batho Pele) 1998.	PMS must be based on the 8 principles of "Batho Pele": 1. Consultation. 2. Service Standards. 3. Access. 4. Courtesy. 5. Information. 6. Openness/Transparency. 7. Redress. 8. Value for Money.
MFMA (Act 32 of 2000) Chapter 6.	A municipality must: 1. Establish a performance management system. 2. Monitor and review the performance management system.
Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006.	The performance management system must provide for: 1. Community involvement. 2. Auditing of performance. 3. Inclusion of National Key Performance Indicators. 4. Performance Reporting.

5. OBJECTIVES FOR PERFORMANCE MANAGEMENT

Beyond the need to comply with legislative requirements, the municipality requires a performance management system as the primary mechanism to plan for performance management and monitor, review and improve the implementation of the municipality's IDP. The following basic characteristics are of paramount importance:

5.1 Facilitate Increased Accountability:

The performance management system should provide a mechanism for ensuring increased accountability between:

- The communities of Frances Baard District Municipality;
- The political and administrative components of the municipality;
- Each department and the executive office of the municipal manager.

5.2 Facilitate Learning and Improvement

While ensuring that accountability is maximised, the performance management system must also provide a mechanism for learning and improvement. It should allow for the municipality to know which approaches are having the desired impact, and enable the municipality to improve delivery. It should form the basis for monitoring, evaluating and improving the IDP implementation.

5.3 Provide Early Warning Signals

The performance management system should provide managers, the Municipal Manager and Council with early warnings of risks to the full implementation of the IDP. It is important for the system to inform decision-makers in good time of possible risks, so that they can facilitate intervention where necessary. Quarterly individual measurements and reports are essential in this process.

5.4 Facilitate Decision-making

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The functions listed above are not exhaustive, but summarise the intended benefits of the performance management system to be developed and implemented. These mechanisms should be used to evaluate the performance management system, periodically.

6. PRINCIPLES GOVERNING PERFORMANCE MANAGEMENT

The process of developing a performance management system for the Frances Baard District Municipality was guided by a detailed process plan whereby the following principles informed the municipality's performance management system:

6.1 Simplicity

The system is developed to operate accurately and effectively, but still in a simple and user-friendly manner which will enables the municipality to develop, implement, manage and review the system without placing an unnecessary great burden on the existing capacity of the municipality.

6.2 Politically acceptable and administratively manageable

The system is developed to be acceptable to political role players on all levels and flexible enough to be accepted by the municipal council and to enjoy the buy-in across political differences. The process will involve both councillors and officials, but the day-to-day management of the process will be done administratively with regular progress reporting to the political level.

6.3 Implementable

Considering the resource framework of the municipality, the PMS should be implementable within the resources of the municipality, which will include time, institutional, financial, and technical resources.

6.4 Transparency and accountability

The development and implementation of a PMS should be inclusive, transparent and open. The general public should, through the system, be made aware of how the operations of the municipality are being administered, how public resources are being spent and who is responsible for what. The implementation framework, captured as part of this policy, will outline the implementation of this principle.

6.5 Efficient and sustainable

The PMS should, like other services within the municipality, be cost effective and should be professionally administered and needs to happen in a sustainable manner.

6.6 Public participation

The constituency of the municipality should be granted their legal rights, in terms of the Constitution and the MSA, through encouragement of public participation by the municipality during the development and implementation of a PMS. The implementation framework indicates the time, kind of involvement and responsibilities in terms of public participation.

6.7 Integration

The PMS should be developed and implemented in such a manner that it will be integrated within the integrated development process of the municipality and its individual employee performance management.

6.8 Objectivity

The PM-System must be developed on a sound value system where the management of the system and the information is based upon being objective and credible. The adopted score card system ensures objectivity and credibility in the management of performance.

6.9 Reliability

The PMS should provide reliable information on the progress made by the municipality in achieving the objectives as set out in its IDP. The system provides for the use of source documents to verify the information put into the system.

7. A PERFORMANCE MANAGEMENT MODEL

International experience in both the private and public sectors has shown that traditional approaches to measuring performance that have been heavily reliant on financial measures are severely lacking balance. It has become well accepted that in order to assess an organisation's performance, a balanced view is required, incorporating a multi-perspective assessment of how the organisation is performing as seen by differing categories of stakeholders. To ensure this balanced multi-perspective measuring of performance, it is proposed that a model be adopted for the performance of the organisation.

7.1 What is a Performance Management Model?

A model for performance management provides a framework for what aspects of performance get measured and managed. It can be defined as the grouping together of indicators, often based on the type of indicator into logical categories or groups, as a means to enhance the ability of an organisation to manage and analyse its performance.

7.2 Why do we need a Performance Model?

Models have proved useful in performance management for the following reasons. They provide:

7.2.1 Balance

A good model will ensure balance in how the organisation measures and manages its performance. It should not bias performance measurement by relying on one facet of performance, but represent a multi-perspective holistic assessment of municipal performance.

7.2.2 Simplicity

A good model should organise simply, what would otherwise be a long list of indicators attempting to comprehensively cover performance, into a set of categories sufficiently covering all key areas of performance. Models differ most significantly in what they assert are the key aspects of performance.

7.2.3 Mapping of Inter-relationships

A good model will map out the inter-relationships between different areas of performance. These inter-relationships relate to the extent to which poor performance in one category would lead to poor performance in other related areas and the converse. These inter-relationships help in both the planning stage and the review stage, particularly in the diagnosis of causes of poor performance.

7.2.4 Alignment to Integrated Development Planning Methodology

A good model will align the processes of performance management to the IDP processes of the organisation. It will ensure that IDP translated into performance plans that will be monitored and reviewed. The categories of key performance areas provided by a model should relate directly to the identified priority areas of the IDP.

7.3 Key-Performance-Area Model (Spreadsheet Format)

The initial process plan and PMS Framework documents that the Frances Baard District Municipality has adopted indicates the Spreadsheet (KPA) Model as its preferred model. The structured score cards are therefore designed to fit this model.

In the said model all indicators are grouped together under the national key performance areas as per the Systems Act and the local key performance areas as per the Municipality's IDP. The said Model therefore enables the municipality to assess its performance based on national and local key performance areas and indicators.

7.4 Score Cards for different performance levels

The corporate performance will be evaluated by means of corporate score cards at a more strategic level and eventually also through departmental score cards on departmental level. The score cards of the Municipal Manager and Heads of Departments will link up to the final corporate score of the municipality.

7.4.1 The Corporate Score Cards

The corporate score card will provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. The Municipal Manager and HODs will use it, after review, as a basis for reporting on performance to the Executive Mayor, Council and the public. Reporting to Council on the corporate performance of the municipality will be accumulative on a quarterly basis. Reporting to the public will be annually. The

implementation framework will indicate the timeframes and other detail information.

7.4.2 Departmental Score Cards

The departmental score cards will capture the performance of each defined service or department. Unlike the municipal corporate score card, which reflects on the strategic priorities of the municipality, a departmental scorecard will provide a comprehensive picture of the performance of that service/department. It will consist of objectives, indicators and targets derived from the municipality's annual Service Delivery and Budget Implementation Plan (SDBIP) and/or any other operational, annual business or services plans compiled for each department. It will be crucial that departmental score cards not duplicate current reporting, but be integrated into as a core component and simplify all regular reporting from departments to the municipal manager and portfolio committees.

It is envisaged that performance in the form of a departmental score card for (HOD's) will be reported to the Municipal Manager and relevant portfolio committee for review.

7.5 Score Card and Measurement Concepts

The strategic and departmental score cards will be presented in a consistent format for easy and practical use. The formats are attached as appendix 1. Some major concepts used in the score cards are defined below:

Objectives: are statements about what a service wants to achieve.

Indicators: are measures, which tell us whether we are making progress towards achieving our objectives.

Baseline measure: is the value of the indicator before the start of the programme or prior to the period over which performance is to be reviewed.

Target: is the value of the indicator that we want to achieve by a specified time.

Measurement source and frequency: indicate where the data emanates from, and how frequently it can be measured and reported. This information will assist the auditing process.

7.6 Criteria for Good Indicators

In setting key performance indicators the following criteria should be taken into consideration:

7.6.1 Focused and Specific

Indicators should be clearly focused and stated unambiguously.

7.6.2 Measurable

An indicator should by definition contain a unit of measurement.

7.6.3 Valid and Relevant

Validity is the degree to which an indicator measures what is intended to be measured. This correlates strongly to the relevance of the indicator to the objective being measured. It is also important that the whole set of indicators chosen should be contextually relevant to the South African context.

7.6.4 Reliable

Reliability is the degree to which repeated measures, under exactly the same conditions will produce the same result.

7.6.5 Simple

Good indicators will be simple, easy to communicate such that their relevance is apparent.

7.6.6 Minimise perverse consequences

Poorly chosen indicators, while nobly intended, can have perverse consequences in the behaviours it incentivises.

7.6.7 Data Availability

Good indicators will also rely on data that is, or intended to be, available on a regular basis.

8. THE PROCESS OF MANAGING PERFORMANCE

The annual process of managing the performance of the Frances Baard District Municipality will include performance planning, measurement, analysis and reporting, performance reviews and performance auditing.

8.1 Co-ordination

Co-ordination of the implementation of the planning, measurement, reporting and review process will require a multi-disciplinary team, representative of the organisation and its key processes. The responsibility for Performance Management and Integrated Development Planning should be located in one unit or section to ensure close alignment and co-ordination.

8.2 Roles and Responsibilities of Stakeholders

The following table sets out the roles and responsibilities of various roleplayers in performance planning, measurement and analysis and performance reporting and reviews:

STAKEHOLDERS	INVOLVEMENT	BENEFITS
	COUNCIL	
Executive Mayor	Facilitate the development of a long term Vision regarding IDP and PMS.	Optimum and equitable service delivery.
Mayoral Committee	Provide strategic awareness and manage the development of the IDP and PMS.	Promotes public awareness and satisfactions.
Portfolio Committee	• Manage the implementation of the strategy. • Review and monitor the implementation of the IDP and the PMS.	Facilitates the process of benchmarking and collaboration with other municipalities.
Council	• Adapt the PMS policy and approve the IDP. • Monitor performance.	Provides a mechanism for the monitoring, implementation and review of PMS and IDP.

STAKEHOLDERS	INVOLVEMENT	BENEFITS
	OFFICIALS	
Municipal Manager	• Ensure the implementation of the IDP and the PMS. • Communicate with the Executive Mayor and Management Team.	Clarifies goals, targets and work expectations of the executive management team, other senior managers, line managers and individual employees.
Management Team	Manage Departmental Business/Operational Plans and Performance.	Facilitates the identification of training and development needs at different levels in the municipality.
Line Managers	Implement the departmental business/ operational plans and monitor the Individual Performance Plans.	Provides an objective basis upon which to reward good performance and correcting under-performance.
Individual Employees	Execute individual performance plans.	Mechanism for early warning indicators to check and ensure compliance.
Internal Audit	Assess the functionality and legal compliance of the PMS.	• Enhances the credibility of the PMS and the IDP. • Enhances the status and role of Internal Audit.
STAKEHOLDERS	INVOLVEMENT	BENEFITS

STAKEHOLDERS	INVOLVEMENT	BENEFITS
	COMMUNITY/PUBLIC	
Representative Forum/ Category B Municipalities	• Inform the identification of community priorities. • Public involvement in service delivery of the municipality.	Provide a platform for the public/communities to inform and communicate with Council.
	OTHER PARTNERS	
Auditor General	Ensure legal compliance.	Provides warning signals of under-performance, which can provide pro-active and timely interventions.
Performance Audit Committee	Independent audit on legal compliance.	Provides warning signals of under-performance.
National Treasury	• Prescribe relevant legislation. • Provides PMS advice. • Evaluates PMS.	Provides information and advice.
DPLG	Support the implementation of PMS	Provides support to municipalities.
SALGA	• Facilitate compliance to PMS requirements. • Provides advice. • Support municipalities.	Support to municipalities in the implementation of PMS.

8.3 Performance Planning

Performance is to be managed in terms of the Integrated Development Plan and the IDP process constitutes the process of planning for performance. For this reason indicators and targets were developed for all the priorities and objectives as set out in the IDP.

The format for the corporate and individual score cards is attached as Appendix 4.

8.4 Measurement and Analysis

For each indicator the score card will require that a responsible official, usually the respective line manager, be designated. While this official will not necessarily be accountable for performance on this indicator, they will be responsible for conducting measurements of that indicator, analysing and reporting first to the Municipal Manager and then the Mayoral Committee on these for reviews.

Analysis requires that line managers compare current performance with targets, past performance and possibly the performance of other municipalities, where data is available, to determine whether or not performance is poor. They should also analyse the reasons for performance levels and suggest corrective action where necessary.

Municipal-wide outcome indicators will be co-ordinated centrally by the PMS Unit.

Prior to reviews taking place by the Management Team, the Mayoral Committee and Council, the corporate performance reporting will need to be tracked and co-ordinated by the IDP/PMS Manager. Therefore accumulative quarterly reports will be submitted to the Audit Committee and the Mayoral Committee by the IDP/PMS Manager.

It will also be useful to provide an overall analysis of municipal performance with respect to the corporate score cards and eventually also the departmental score cards to identify trends in performance over time and over all departments. The Municipal Manager will be responsible for this.

8.5   Performance Reporting & Reviews

The figure below aims to provide a picture of the annual process of reporting and reviews.

Figure 1:   The annual process of reporting and review

Public	Annually
Council	Bi-annually
Mayoral Comm. ← Audit Comm..	Quarterly
MM/ Corporate	Quarterly

Dept   **Dept**   **Dept**

S   S   s   S   s   S

◄
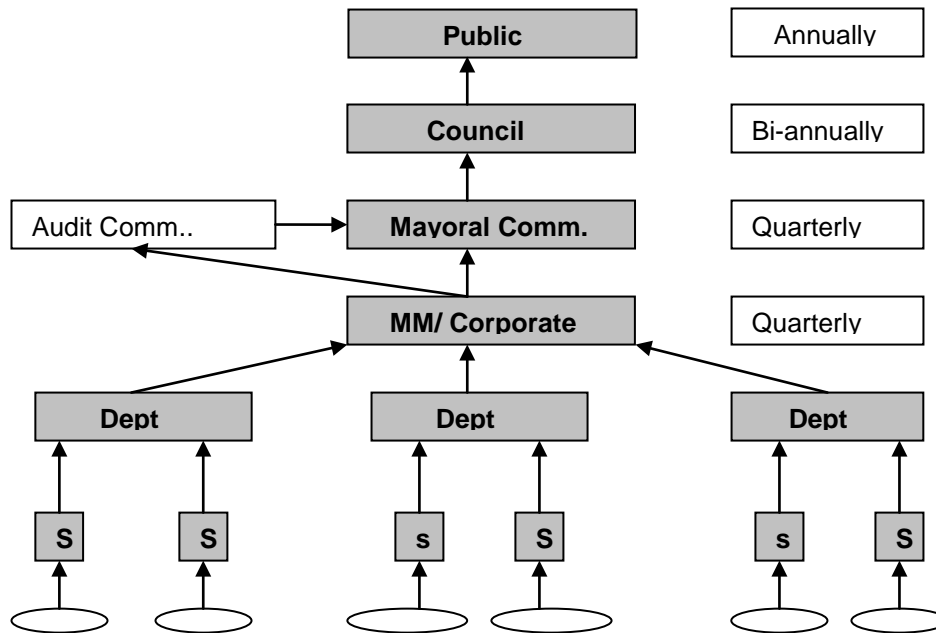
8.5.1 Departmental Reviews

It is intended that Departments will review the performance of their individual staff and sections at least monthly, using their departmental score cards as references. This will immediately alert managers of any emerging failures to service delivery so that they could intervene if necessary. It is important that Departments use these reviews as an opportunity for reflection on their goals and programmes and whether these are being achieved. Minutes/Reports of these reviews should be forwarded to the Municipal Manager. Changes in indicators and targets may be proposed at this meeting but can only be approved by the Mayoral Committee, in consultation with the Municipal Manager.

8.5.2 Management Team Reviews

Departments will then need to report on their performance in the service score card format to the Municipal Manager. Additional indicators that occur in the corporate score card will also be reviewed. The formulation of the corporate scorecard and the process of review will be co-ordinated by the performance management team.

The executive management team will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need

to be changed, the management team can endorse these, for approval by the Mayoral Committee.

8.5.3 Portfolio Committee Reviews

Each portfolio committee will be required to review the performance of their respective services against their departmental score card. The portfolio committee should appraise the performance of the service against committed targets. Where targets are not being met, portfolio committees should ensure that the reasons for poor performance are satisfactory and sufficient, and the corrective strategies proposed are sufficient to address the reasons for poor performance. Changes in indicators and targets that do not appear in the corporate score card may be proposed to and can only be approved by the relevant portfolio committee, in consultation with the Municipal Manager. Changes in indicators and targets that fall within the corporate score card will need to be approved by the Mayoral Committee.

8.5.4 Executive Mayor and Mayoral Committee Reviews

On a quarterly basis, the Mayoral Committee should engage in an intensive review of municipal performance against both the departmental score cards and the corporate score card, as reported by the Municipal Manager. These reviews will take place in October (for the period July to end of September), January (for the period October to the end of December), April (for the period January to the end of March) and July (for the period April to the end of June).

The review in January will coincide with the mid-year performance assessment as per section 72 of the Municipal Finance Management Act. The said section determines that the accounting officer must by 25 January of each year assess the performance of the municipality and report to the Council on inter alia its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan.

Many of the indicators in the corporate score card will only be measurable on an annual basis. The quarterly reviews should thus culminate in a comprehensive annual review of performance in terms of both score cards.

The Mayoral Committee will need to ensure that targets committed to in the corporate score card are being met, where they are not, that satisfactory and sufficient reasons are provided and that the corrective action being proposed is sufficient to address the reasons for poor performance.

The review should also focus on reviewing the systematic compliance to the performance management system, by departments, portfolio committees and the Municipal Manager.

It will be important that the Mayoral Committee not only pay attention to poor performance but also to good performance. It is expected that the Mayoral Committee will acknowledge good performance, where departments have successfully met targets in their departmental score cards. It is also proposed that an Annual Mayoral Award for Excellent Performance be introduced, that rewards departments who have excelled in terms of the score cards. Such an

award and the subsequent recognition can often be sufficient to motivate teams in the workplace.

8.5.5 Council Reviews

It is obligatory for the Mayoral Committee in terms of the Act to report to Council on municipal performance and the diagram for reporting and reviewing indicates that the Mayoral Committee will report biannually to Council in the required format. This reporting will be done by using the corporate score card in a biannual performance report format as per the Municipal Systems Act. The annual performance report will form part of the Frances Baard District Municipality's annual report as per section 121 of the Municipal Finance Management Act.

8.5.6 Public Reviews

The Municipal Systems Act as well as the Municipal Finance Management Act requires the public to be given the opportunity to review municipal performance. Section 127 of the MFMA requires that the accounting officer (Municipal Manager) must immediately after the annual report is submitted to Council make the report public and invite the local community to submit comments in connection with the annual report.

It is proposed that in addition to the annual report mentioned above and subject to the availability of funding, a user-friendly citizens' report should be produced for public consumption. The citizens' report should be a simple, easily readable and attractive document that translates the annual report and corporate score card for public consumption.

It is also proposed that a public campaign be annually embarked on to involve citizens in the review of municipal performance over and above the requirements of the MFMA. Such a campaign could involve the following methodologies:

- Various forms of media including radio, newspapers and billboards can be used to convey the citizens' report. The public should be invited to submit comment via telephone, fax, email and possibly also public hearings to be held in a variety of locations.

- The public reviews should be concluded by a formal review of the annual report by the IDP Representative Forum of Frances Baard.

8.6   Auditing and Quality Control

All auditing should comply with section 166 of the Municipal Finance Management Act and Regulation 14 of the Municipal Planning and Performance Management Regulations (2001).

8.6.1 Continuous quality Control and Co-ordination

The Municipal Manager will be required on an ongoing basis to co-ordinate and ensure good quality of reporting and reviews. It will be his/her role to

ensure conformity to reporting formats and check the reliability of reported information, where possible.

8.6.2 Performance Investigations

The Audit Committee should be able to commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. Performance investigations should assess:

• The reliability of reported information;

• The extent of performance gaps from targets;

• The reasons for performance gaps;

• Corrective action and improvement strategies.

While the internal audit function may be used to conduct these investigations, Council may also make use of external service providers, preferably academic institutions, who are experts in the area to be audited. However, when this option is pursue clear terms of reference will need to be adopted by the Mayoral Committee for each such investigation.

8.6.3 Internal Audit

Section 165 of the MFMA requires that each municipality must have an internal audit unit, however such function may be outsourced.

The municipality's internal audit function will need to be continuously involved in auditing the performance reports of services and the corporate score cards. As required by the regulations, they will be required to produce an audit report on a quarterly basis, to be submitted to the Municipal Manager and Audit Committee. If required, the capacity of the internal audit unit will need to be improved beyond the auditing of financial information.

The role of the Audit Committee will be to assess:

• The functionality of the municipality's performance management system;

• The adherence of the system to the Municipal Systems Act;

• The extent to which performance measurements are reliable;

8.6.4 Audit Committee

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No Councillor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

Legislation provides municipalities with the option of establishing a separate performance audit committee. However, the policy propose only one audit

committee regarding the financial and performance management matters of the municipality.

Legislation further requires the performance audit committee to:

- Review the quarterly reports submitted to it by the internal audit unit;

- Review the municipality's performance management system and make recommendations in this regard to the municipal council.

- Assess whether the performance indicators are sufficient;

- At least twice during a financial year submit an audit report to the municipal council;

In order to fulfil their function a Performance Audit Committee may, according to the MFMA and the Regulations,

- Communicate directly with the council, municipal manager or the internal and external auditors of the municipality concerned;

- Access any municipal records containing information that is needed to perform its duties or exercise its powers;

- Request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and

- Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

The Frances Baard District Municipality has already established an Audit Committee as far as performance auditing and management are concerned and the powers and functions of the committee will be as set out in terms of the MFMA and in this PMS Policy.

9. Evaluation and Improvement of the PM-System

The Municipal Systems Act requires the municipality to annually evaluate its performance management system. Therefore, after every full cycle of the annual review is complete, the Municipal Manager will initiate an evaluation report annually, taking into account the input provided by departments. This report will then be discussed by the Management Team and finally submitted to the Mayoral Committee for discussion and approval. The evaluation should assess:

- The adherence of the performance management system to the Municipal Systems Act the MFMA and the PMS Regulations;

- The fulfilment of the objectives for a performance management system captured in section 3 of this policy document;

- The adherence of the performance management system to the objectives and principles captured in section 4 of this policy document;

- Opportunities for improvement and the adoption of an annual action plan.

It must once again be emphasised that there are no definitive solutions to managing municipal performance. The process of implementing a performance management system must be seen as a learning process, where we are continuously improving the way the system works to fulfil the objectives of the system and to address the emerging challenges from a constantly changing environment.

10. The Reward System

Municipalities are legally obliged to implement a remuneration and reward policy that sets out the link between performance and rewards for the Municipal Manager and the first level managers (Section 57 Employees) reporting directly to the Municipal Manager. Section 57 of the Municipal Systems Act (2002) and Section 32 of the Municipal Performance Regulations (01 August 2006) set the guidelines to follow in this regard. However, it is also recommended for a municipality to develop and implement a reward system for all its employees which is linked to the individual performance of every individual employee to encourage higher standards of performance in the municipality. In terms of the effective implementation of a reward system two categories have been identified which depends upon the manner in which an employee is employed. **Appendix 1** deals with the reward system regarding the two categories of employees.

11. Implementing Performance Management

Integrated Development Planning (IDP) and Performance Management are seamlessly integrated to the extent that the IDP process fulfils the planning stage of performance management and performance management fulfils the implementation management, monitoring and evaluation of the Integrated Development Plan (IDP). The sole performance of the municipality links inseparable to that of its staff component. If employees do not perform the municipality will fail. The time framework for implementation of the PMS in the municipality is to ensure that the IDP and the PMS are managed effectively and sufficiently to reach the goals and the objectives of the municipality. **Appendix 2** of the policy document deals with the time framework for PMS.

12. Disputes

12.1.   Where a difference of opinion regarding an employee's performance in terms of his/her scores may arise, the parties hereto shall confer with the objective of resolving such difference of opinion. An unresolved difference of opinion shall be deemed to be cause for a dispute between the parties hereto.

12.2.   In the event that the employee is dissatisfied with any decision or action taken by the supervisor or the municipality in terms of his/her scores of performance, or where a dispute arises regarding the employee's achievement of the performance objectives and targets established in terms of the employee's performance plan, the employee may meet with the supervisor with the objective of resolving such issue.

12.3.   The employee may schedule such meeting by giving proper written notice to the supervisor. The supervisor is required to hold such meeting within 3 (three) working days (or such shorter time as may reasonably be required by the employee) of submission of such request. The employee may require the supervisor to have the proceedings of such meeting recorded and to provide written minutes thereof within 7 (seven) working days of such meeting.

12.4.   In the event that an employee is not satisfied with the outcome of that meeting, the employee may make written representations to the HOD of the department and in the case of a manager reporting directly to the HOD, to the Municipal Manager as the appeal authority. The HOD or the Municipal Manager may determine a dispute resolution process which shall allow the employee adequate opportunity to put his case. The HOD's or the Municipal Manager's decision shall be recorded in writing and be presented to the employee within 7 (seven) working days of the conclusion of such hearing. The HOD's or the Municipal Manager's decision, with regard to the dispute resolution process contemplated herein, is final. Should the employee not accept the HOD's or the Municipal Manager's decision, the matter then becomes a matter for arbitration in terms of the employee's contract of employment.

13. Appendices

In order for the PMS policy to be effectively applicable in the municipality the following appendices are crucial to the completeness of the policy and form an integral part of the municipality's PMS policy.

13.1 The Reward System/Performance Bonuses
13.2 Implementation Framework Plan
13.3 Individual Performance Manual
13.4 PMS Regulations – No. R. 805 – 01 August 2006
13.5 Score Card Formats (examples)

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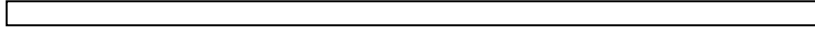
APPENDIX 1

PMS REWARD SYSTEM FOR FRANCES BAARD DISTRICT MUNICIPALITY

13.1. The Reward System/ Performance Bonuses

Municipalities are legally obliged to have a remuneration and reward policy that sets out the link between performance and rewards for the Municipal Manager and the first level managers reporting directly to the Municipal Manager(Section 57 Employees). Section 57 of the Municipal Systems Act (2002) and the PMS Regulations of 01 August 2006 set the guidelines to follow in this regard. However, it is also recommended for a municipality to develop and implement a reward system for all its employees which is linked to the individual performance of every individual employee to encourage higher standards of performance in the municipality. Two categories of municipal employees have been identified based on the manner in which an employee is employed.

13.1.1 Performance Bonus Scheme for first level Section 57 Managers

Section 57 Employees has been defined as employees employed under the provisions of Section 57 of the Municipal Systems Act of 2002 on a performance based fixed term employment contract. In Frances Baard District Municipality the Municipal Manager and the Heads of Departments reporting directly to the Municipal Manager are defined under this category. These employees will be measured and evaluated in terms of the provisions of Section 26 and 27 of the PMS Regulations of 01 August 2006. Section 32 of the Regulations will be applicable in determining performance bonuses.

- **Rating Performance**

Performance is measured against the performance indicators set nationally in the PMS Regulations of August 2006. These indicators must be unpacked and taken up in the performance plans of the other Section 57 managers (HOD's) reporting directly to the municipal manager.

Bonuses will only be paid out after the expiring of the particular financial year and once the signed score cards have been internally audited and approved by Council. Employees starting during the financial year will only be eligible on a pro-rata basis from the date of employment.

Performance scores are added together to give an overall performance score and the amount of the bonus is determined by the total performance score, according to the performance bonus scheme base set out in Section 32 of the PMS Regulations.

The following table indicates the overall rating, calculated by using the assessment-rating calculator provided for in terms of Section 32 of the PMS Regulations:

Staff Level	Final Score	Bonus Amount
Municipal Manager and other first level Section 57 Managers.	130 - 133	5% of Annual Package
	134 -137	6% of Annual Package
	138 -141	7% of Annual Package
	142 – 145	8% of Annual Package
	146 -149	9% of Annual Package
	150 -153	10% of Annual Package
	153 – 157	11% of Annual Package
	158 -161	12%of Annual Package
	162 -165	13%of Annual Package
	166 and above	14%of Annual Package

- Performance scores below 60 will be unacceptable and intervention shall be brought into practice in terms of Section 32 (3) of the PMS Regulations.

- Bonuses will only be paid if it was fully budgeted for and if sufficient funding is available.

13.1.2 Performance Awards for Permanent and Other Contract Employees

Permanent employees are defined for the purpose of performance management as employees who are permanently employed by Council and thus covered by the Basic Conditions of Service. Employees employed by contract, other than the Municipal Manager and the first level Managers (HOD's), will be treated under the same criteria and conditions for performance management as the defined permanent employees of the District Municipality. The new PMS Regulations of 06 August 2006 does not make provision for rewards or bonuses for this category of employees. Council therefore may consider the implementation of some non-financial rewards to individual staff from time to time.

- **Rating Performance**

Individual performance is measured against the performance indicators set out in the Performance Plan of each individual employee. These indicators will be reviewed annually, but may be altered or amended in the course of the financial year only with the consent of the responsible Head of the Department and the Municipal Manager, provided that it will still be within the parameters of the SDBIP of the particular department. A performance score of an employee is calculated according to set Key Performance Indicators (KPI's) on a quarterly basis.

APPENDIX 2

13.2 Time Framework for Implementation of the PMS

The practical implementation of the Performance Management System will be covered by the following steps:

- Planning for Performance
- Monitoring Performance
- Measuring Performance
- Reviewing Performance
- Reporting on Performance
- Auditing and Quality Control
- Improving Performance

The diagram below indicates the timeframes for the implementation of the PMS in the municipality:

Phase	Organisational Activity	Individual Activity	Time-Frame	Responsibility
Planning	Development of the SDBIP		14 June	**IDP/PMS Man.** MM and Senior Managers.
		Performance Agreements for Section 57 Managers.	14 June	**IDP/PMS Man**. Ex M, MM and Senior Managers.
		Performance Plans for all staff.	28 July	HOD's/ Section Heads/ Supervisors.
Monitor, Measure and Review	Monthly Monitoring.		Monthly	All Managers and Supervisors.

Phase	Organisational Activity	Individual Activity	Time-Frame	Responsibility
	Quarterly Reviews	Completion of questionnaires and score cards.	1st Week October January April	All staff.
		Annual Performance Appraisal.	14 July	All staff.
		Reward and Recognition.	31 August	Ex M, MM and Senior Managers.
Phase	**Organisational Activity**	**Individual Activity**	**Time-Frame**	**Responsibility**
Reporting	Quarterly Reports.		1st Week: October January April	HOD's, Managers and Supervisors.
	Annual Report.	Annual Staff Performance Report.	31 July	Ex. M, MM, PMS Manager.
Reporting	Quarterly Reports.		1st Week: October January April	HOD's, Managers and Supervisors.
	Annual Report.	Annual Staff Performance Report.	31 July	Ex. M, MM, PMS Manager.

The diagram below illustrates the link in planning between the IDP and the PMS:

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                                        ┌──────────────┐
                                        │    KPA's      │
                                        └──────┬───────┘
                                               │
                                               ▼
        ┌──────────────┐
        │     IDP       │
        │   5-Year      │
        │   Strategy    │
        └──────────────┘
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                                              ┌──────────────┐
                                              │  Objectives  │
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                                                     ▼
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                                              │    KPI's     │
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                                              │ Baseline KPI's│
      ┌──────────────┐                        └──────┬───────┘
      │     PMS      │                               │
      │   1-Year     │                               ▼
      │  Strategy    │                        ┌──────────────┐
      └──────────────┘                        │   Targets    │
                                              └──────┬───────┘
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                                              ┌──────────────┐
                                              │Responsibility│
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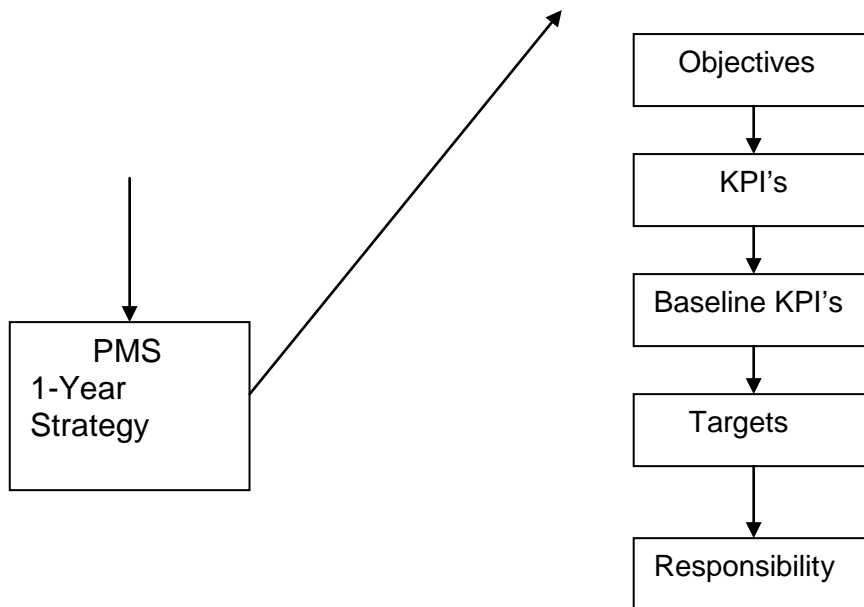
The diagram above also indicates the flow of the SDBIP for the Financial Year.

APPENDIX 3

13.3   Individual Performance Appraisal Guide-Lines

INDIVIDUAL PERFORMANCE APPRAISAL GUIDE-LINES

13.3.1. HOW TO USE THESE GUIDE-LINES

Managers and supervisors are encouraged to study these guidelines carefully and in total in the first instance. Then revert to the concepts that are perhaps more difficult to grasp or that may be new to you. Study these in depth and if need be, discuss them with your fellow supervisors or your Human Resources Manager. Some of these guidelines may not apply to you personally. Many of them may be "old-hat" to you, but we hope every supervisor will find something helpful in it. Skip those suggestions with which you disagree or which are not compatible with your own style of management or personality make-up. Be aware, however, that a watered down approach may not achieve the objectives set out below.

Before application, please ensure that you understand the concepts well. Do a "dummy run" or two with a fellow supervisor or even a tape recorder, for practice, and when you feel confident, apply your newly acquired knowledge and skills.

13.3.2 OBJECTIVES OF PERFORMANCE APPRAISALS AND PERFORMANCE APPRAISAL INTERVIEWS

The main objective of the performance appraisal and performance appraisal interviewing system is to provide management with a sound basis for an objective performance evaluation of employees. It should also assist the employee, through discussion, to improve on his/her performance in his/her current job towards the overall improvement of the department or the municipality at large.

The main objective may be subdivided into the following subsidiary objectives:

Objectives of the Performance Appraisal

• To provide supervisors with a job orientated performance appraisal system, enabling them objectively to appraise individual job performances;

• To provide supervisors with a guideline for conducting the performance appraisal interview;

• To provide aid towards more readily identifying promotable people on a group basis;

• To identify training and development needs which require to be met on either an individual or collective basis;

• To serve as an input to salary/ bonus/ awarding recommendations.

Objectives of the Performance Appraisal Interview

• To ensure that the employee knows where he/she stands;

• To assist supervisors in helping their subordinates to improve their job performance;

• To identify development needs of individuals;

• To give people the opportunity to discuss their performance and objectives and their future aspirations with their direct superiors, thus creating a better understanding between supervisor and subordinate;

• To serve as an outlet for cropped-up dissatisfactions and frustrations;

• To give the supervisor an opportunity to discuss his/her own performance with his/her subordinates and to assess how he/she can improve his/her managing of them.

13.3.3. THE PERFORMANCE APPRAISAL

The Performance Plan and Score Card Appraisal have been designed to give as much flexibility and to allow for as much original thinking as possible -

without losing its effectiveness. The design allows for a job-orientated approach to performance appraisals and helps the supervisor:

• To focus on the most important areas of performance in a specific job, i.e. it identifies the areas where effective performance is necessary for the job objectives to be achieved. This refers to the "**Weighting"** column in the Performance Plan and Score Card. The supervisor and the employee should firstly agree on the weighting of each of the attributes (KPA's and KPI's) that are used for measurement, as it applies to the employee's job.

The weight should be allocated on the following basis:

The total score for the KPI's in a Performance Plan of an employee cannot exceeds 100%. Once the weightings have been determined and KPI'S have been made "SMART", the performance plan and score card may be completed and signed by both the supervisor and the particular staff member.
• To be as objective as is humanly possible in evaluating the performance of subordinates and to identify areas of strengths, weaknesses, training needs and promotability.

• To give factual background data upon which a supervisor can base his/her performance appraisal interview.

Completing the "Questions" on the KPI's

 Questions on the KPI's have been developed as part of the score card system in order to simplify the measurement of staff. More than one question may apply to the same KPI. Once the KPI's have been determined and the relevant questions have been formulated it cannot be changed without the consent of the supervisor, the staff member and the PMS Practitioner responsible for the Individual PMS.

Rating Scale

Appraisal of performance should concentrate on how well the individual has met the results you expected him/her to achieve in the execution of his/her job. In considering the level of achievement, you should understand the rating scale definitions clearly and apply them consistently throughout your rating. In awarding a points rating to a particular attribute, consider each point of the rating scale and its definitions carefully. Always think of the results expected from the job as the standard then compare the individual's performance against this standard. In appraising performance, do not think compassionately. Also give consideration to your own standards of evaluation. Ask yourself the questions:

> *"Are my standards realistic, or am I rating too leniently or too harshly?"*

> *"Do I apply the same standard consistently?"*

"Do I think of each attribute separately and in isolation, or do I tend towards an undesirable "halo effect?"

Weigthing:

Ideally, the weighting should be reviewed every time the performance appraisal is discussed. In other words, a forward projection should be made of the areas for the ensuing year/ six or three months. The employee who is being appraised will then be fully aware of the key performance areas for his/her job and on what he/she is going to be appraised.

You will find it helpful first to review the results that you expect to be achieved in each key performance area or attribute and then measure the actual achievements in KPI's against these results.

• Excellently completed

• Well completed

• Satisfactorily completed

• Partially completed

• Incompletely or poorly completed.

By focusing your appraisal on the elements of job performance, you will avoid controversial things that normally result from appraising personality traits which are hard to define, let alone measure. By noting performance against agreed standards or expectations, you will be identifying points for discussion when you do the appraisal interview. Staff should keep reliable records to support their answers on the set questions mentioned earlier. Managers and supervisors must verify the given information before the scores be entered into the score cards.

Training and Development Needs

When considering training and development needs, you should, in the first instance, turn your mind to specific training the individual needs to improve his/her performance in his/her present job. Secondly, when you consider promotability or increased responsibility, you should think of what training and development is needed to accomplish this. It will help if the training needs are spelt out in the specific terms:

"Training in accounting and finance for non-financial managers" as opposed to "management training".

This information must be given quarterly at the applicable section provided for it on the score card system.

Promotability

In further consideration of promotability of the individual, a broader view needs to be taken, i.e. consideration should not only be given to what promotional opportunities are immediately available in your sector, but also on a broader municipal career basis. Just as you would not like to think that your supervisor is standing in your way for promotion outside of your sector, so you should not stand in the way of your subordinates who may be promotable outside of your department. You should also turn your mind to the individual's ability to perform jobs in other career fields or disciplines as part of his/her overall development.

Comments by Rater

A very brief summary of your views of the employee and his/her performance should be kept for later reference purposes.

Compassionate conditions that may affect the employee's performance, for example: ill health should also be mentioned and kept on record.

Timing of Performance Appraisals

Ideally, performance appraisals should be done quarterly at least. The performance appraisal interview should be done very soon thereafter. In order not directly to link performance and salary increases in people's minds, it is necessary to keep the performance appraisal discussion and the salary increase advice separately. Performance, although a major factor, can under certain circumstances, only be one of the factors influencing salary increases.

13.3.4 THE PERFORMANCE APPRAISAL INTERVIEW

Why conduct a performance appraisal interview?

As a manager or supervisor, you are judged, not only by the work you do yourself, but to a large extent by the result produced by your entire section or department. To get the best results from the people in your department or section, you need an understanding and appreciation of the results expected from them, their strengths and weaknesses and a plan for helping them to improve in their key result areas. We spend a lot of time looking at projects, how well the public pays their dues etc. From time to time we need to apply this same approach to people maintenance.

As supervisor, you are appraising your people all the time, although you may not be conscious of this. Every time you assign work, transfer or promote a person, praise or reprimand him/her, you are passing judgement on the person's ability and motivation to do his/her job. Appraisals of this nature are normally not carried out systematically and are sometimes not even recognized. Once in a while we need formally to "take stock". The day-to-day contacts on the job are seldom formal, in depth or long term, so we need to do something more. The quarterly appraisal creates an excellent opportunity for a

planned and formal discussion with each of your subordinates.

The reasons for this are:

• To develop an understanding of individual job objectives

Your people need to understand the objectives and the results that they commit themselves to achieve. Without such understanding, they will not work towards the common objectives of your department or section. As your people understand their objectives better, you will find it easier to manage and to evaluate them.

• To understand your staff better

If you analyse and understand the abilities, aims and achievements of your people, you can often help them make progress towards achievement of their goals. Most people want to do good work. Although not all people want to be promoted, nearly all want to grow in their jobs. The performance appraisal discussion can assist them to grow and to have a better understanding of how this growth can be achieved in their present jobs.

• The employee's position relative to his/her job performance

Everybody, including you wants to know where he/she stands in his/her job and with his/her superior. If people have to guess at how they are progressing in their work, they are likely to worry unnecessarily or conversely develop a sense of overconfidence. Both these feelings will detract from their performance.

It is dishonest to permit a person to think that he/she is doing well in his/her job, if you, as his/her supervisor, do not think that way. Very often people have been surprised at their demotions or even discharges, purely because "I thought I was doing a reasonable job and nobody told me otherwise."

On the other hand, people have been known to resign from their jobs because of a feeling of insecurity not knowing whether they are achieving the job objectives, or failing to achieve them.

• Let people get things off their chests

People very often build up resentments and feelings, and not giving them the opportunity to vent these resentments and feelings may end up in a confrontation or crisis situation. If you can bring such cropped-up feelings out into the open before the crisis, you may forestall problems. Let's face it, even in the happiest work groups some people will have complaints or misunderstandings. These often come out in the "grape vine". Most people need the opportunity and a little bit of encouragement really to air their views. The performance interview gives them this opportunity.

If all of the above is true, why then do some managers and supervisors shy away from doing this interview on a formal basis? The reasons normally put forward are:

• Lack of time

Every manager and supervisor is busy. Very seldom do you catch up with all the things you need to do. Consequently it is natural that you feel too busy to take on another task, particularly if the results are not immediately evident. However, you should ask yourself if some of your "fire fighting" activities could have been prevented if your staff were developed further. Thus the problem may not be a lack of time, but rather what should come first. Perhaps this means putting some of the staff problems ahead of the many technical problems. By doing so, you may save time and trouble in the long run.

• Fear and lack of knowledge

People dislike unpleasantness and embarrassment. You may have a fear that "talking openly" may result in some unpleasantness and an embarrassing situation. This is particularly so if a director or supervisor has not done performance appraisal interviews before, or has never been coached in this kind of interview.

The purpose of what follows is to overcome these fears and assist you to conduct these interviews to the advantage of yourself and your employees.

• "I keep my staff informed"

This is the most common reason given for not holding a formal performance discussion. Most managers and supervisors probably do keep their people informed. Even then, there is a need to "take stock" periodically. This tends to:

- Add up the score and give perspective;
- Puts an end to a work cycle and closes off objectives;
- Starts a new cycle of objectives and improvement plans.

Conducting the Interview

”Prepare yourself for the Interview”

• Collect your thoughts and assemble pertinent data:

Most of the information that you will need should be contained in the scoring system and the source document for every individual staff member. If this has been done adequately, it will serve as a sound basis from which to start your discussion - particularly if the employee knows and has a thorough understanding of the objectives and the key performance areas and indicators which will be measured.

• Set the right time

Pick a time suitable to both yourself and the employee. Make sure that enough time is allowed, so that you need not do a rush job. Give the employee advance warning, so that he/she can prepare him/herself for the interview.

• Ensure privacy

Provide privacy and try to prevent interruptions during your discussions.

• The Interview

The usual advice is to open the interview by "putting the employee at ease." This is frequently difficult. Remember that the person being interviewed will usually show some signs of nervousness, particularly if he/she is not used to the performance appraisal interview. Probably the most re-assuring thing you can do is to get to the point without delay. Re-affirm why you are meeting - tell him/her that you are conducting similar interviews with each of the people reporting to you and re-state the main purpose of the interview - to help him/her to do an even better job.

Be yourself - do not suddenly try to be a different person. Your subordinates who know you well in the job situation will sense any change or artificiality in your manner and this will detract from their participation in and understanding of the ensuing discussion. The following introduction *may* well set the scene for your discussion:

"We see one another every day in the work situation, but in the rush of things we do not take time off to sit and seriously talk over our work problems. This discussion is anticipated to overcome this lack in formal communication. I am planning to have similar discussions with all the people reporting to me. I want you to tell me how you feel about your job and I would like us to talk about any problems you have experienced over the past six months. I would also like to talk to you about our accomplishments and how we can possibly improve on our performance."

Remember that the aim of the interview is to get an understanding of the employee's views about his/her job and to assist him/her to improve his/her performance in the job. For this purpose, your attitude is probably equally or more important than your words. If the person feels that you are sincere in wanting to improve his/her performance, he/she will probably not be too sensitive to the words you use. The tone of this interview should, thus, be one of friendliness and helpfulness - not criticism or discipline. You should talk as a friend and counsel and not as a judge.

How then do you make it known to him/her "exactly where he/she stands?" You should talk about the person's work, always bearing in mind that the purpose is to help him/her to improve by showing appreciation for the good things he/she has done. He/she will know that you value them and will expect

him/her to keep up standards or improve on them. In the same tone, you will also look at the things that have not gone right and pay particular attention to their improvement. One need not say to an employee "In this area you rated quite low" to make him/her understand that he/she has not done well. By asking questions and using standards to measure his/her performance he/she will come to the understanding him/herself. Follow up with a question like "what can we do to improve performance in this area?" will probably have the desired results.

At the same time, do not be too evasive about the issues that really matter. If an employee's performance in any key performance area (KPI) is such that it hampers progress or detracts from departmental performance, it may well be necessary to spell this out to him/her.

It is recommended that you de-emphasize the points rating but rather use the definitions for discussion purposes.

• Be a good listener

A good interview calls for an exchange of ideas. Very often, however, managers and supervisors find it easier to talk than to listen, therefore, you may need to make a special effort to be a good listener. Listening is half the interview. Here are a few suggestions for encouraging people to talk about their work:

- Ask questions that cannot be answered simply 'yes" or "no". Such questions often begin with "who", "why", "what", "where", "when", "how" or "how much";

- Encourage continuation of talk without interrupting with comments like "I see", "that's interesting", "uh ha", "mm mh" etc.;

- Turn questions back to the questioner, e.g. "What do you think should have been done?"

- Encourage him/her to explain further, e.g. "that is interesting, tell me more about it".

• Start with the positive

Usually it is a good idea to start with the good news first. Looking at a person's good performance will tend to make him/her more receptive and avoid him/her going on the defensive. Self-appraisal could also play a role. Questions such as:

- "What parts of your job do you believe you did particularly well? .. or

- "What parts of your job did you enjoy doing most?" or still further

- "In which parts of your job do you feel you accomplished the most?

- "In which key performance area was your performance not up to the expected standard?

As improvement should always be in the back of your mind, questions like "how do you think you could increase output in this area?" will assist to focus on the future, rather than dwelling on the past.

Since discussion of good performance is a pleasant subject to both parties, you may be tempted to spend all your time on this part of the employee's performance. This may be unfair to him/her, because it may lead him/her to a false or inflated impression of his/her performance and contribution.

• Areas for improvement

This is the part of the interview that mangers and supervisors tend to dread the most because it normally smacks of criticism. If, however, the understanding is clear that improvement is the objective, the exercise is normally seen in the right perspective.

- **Try to avoid words that have a critical connotation**

  Words like "faults", "mistakes", "shortcomings", "weaknesses", and comments like "use your logic", "be reasonable" or "use your common sense" will tend to create a barrier in understanding.

- **Try to focus on the future rather than on past mistakes**

  Should it be necessary to highlight past errors, then speak about what the person has done not about what he/she is; emphasize the work, not the person. It is better to say, "here are some of the things that I believe you can do better in" than saying, "here is what you have done wrong".

- **Try to avoid arguments**

  An argument will normally silence a person but will very seldom convince him/her. Should a discussion on a particular point become heated, rather steer away and come back to the point at a later stage if it is important. Allow the employee to save face, if you can.

  Very often mediocre performance is not only to be blamed on the employee. As manager, you should be prepared to share the

problem if it has cause or substance. Improvement may well require more effort than just that of the employee.

   - **Avoid making comparisons with other people.**

   One of the best ways of getting at areas for improvement is to ask the employee for his/her ideas, 'where do you think you can make the biggest improvement in your work?" and "how can I help you to do a better job?"

Talking about the future is normally much more constructive than harping on the past. In talking about the future, you, as the supervisor, would get feed back on the employee's expectations, the amount of effort he/she is prepared to put into his/her job, what his/her promotional expectations are and in general to get a better understanding of the person. You can also attempt to establish what future training and development the person needs to accomplish the job objectives agreed with him/her.

In analysing with him/her, his/her performance in each area, you should be able to isolate the two or three things that, if improved, would make a significant difference in the employee's overall performance. Putting your finger on a few things within the employee's ability to change, which could make a significant improvement in the achievement of his/her job objectives, could perhaps be the most profitable achievement resulting from the performance interview. Raving identified these items; the two of you should then be able to work on improvement plans.

• Improvement Plans

In your discussions you should be able to assess whether the employee is sufficiently well equipped to meet his/her job objectives. You should ask yourself the following questions:

   "Are the objectives realistic?
   "Are the objectives within the present competency of the employee to achieve?
   "What should he/she do to improve his/her competency and what should I, as his/her supervisor, do to ensure that he/she will be able to meet his/her job objectives?"

Remember in the work situation he/she is part of your team.

Avoid making promises of training programmes, development opportunities, promotions or transfers that you cannot keep.

• After the interview

After the interview you should:

   • record the pertinent points from the discussion, particularly the

plans you agreed on for improvement;
- plan your own programme of work to embrace the plans agreed with the employee;
- develop a follow-up plan for "on the job" assistance to the employee;
- accumulate information on available training and development programmes to meet the improvement plans;
- if there is a need, arrange for interim follow-up discussions;
- evaluate your own performance in the performance appraisal interview, establishing clearly the extent to which you have achieved the objectives you set out to achieve.

13.3.5 GENERAL

Difficulties are normally experienced with the following employees:

• The outstanding employee:

Most people find it easy to talk with the outstanding employee. The problem occurs, however, in meeting the aspirations and ambitions of this person. Directors and supervisors will often tend, selfishly, to hold on to the outstanding employee. For the Frances Baard District Municipality, perhaps even for the department or section, this could be detrimental because the employee may leave altogether. The greater his/her abilities are the greater is the obligation of the director or supervisor to coach him/her for the future and to try and meet his/her personal objectives. You may well ask the following questions:

"How can I help you to move along?"
"Tell me about your hopes and ambitions"
"If your eye is on a different job, tell me about it so that I can see if I can help you".

Do not make promises that cannot be fulfilled.

• The failing employee

Almost everybody dreads to face a person with an unpleasant truth. Everybody hates to tell a person that he/she is not doing well, but it is an obligation both to the person as well as the organisation/municipality that must be done timeously and forth-rightly.

Manager's reluctance is often based on their belief that the employee will be surprised and hurt. Usually, this is not the case. If a person is not doing well in hi/hers job, it is seldom that he/she is happy in it.

Bringing the matter out into the open often gives relief, although it may not solve the problem. If the approach is a positive one of assisting the employee to "make the grade" and get job satisfaction, the unpleasantness may be overcome.

Assisting a person to move into another job or line of work, if he/she is genuinely unhappy in his/her present job, is fair both to him/her and the organization/municipality. You are seldom doing a person a favour when you keep him/her in a job he/she cannot handle.

If your attitude is a helpful and not a critical one, you will probably gain the respect and admiration of this employee. Here, some of the questions could well be:

> *"How can we overcome this problem together?"*
> *"What would you really like to do if you had a free choice?"*

13.3.6 FINALLY, SOME SUGGESTIONS AND "DO'S AND DON'TS" OF THE PERFORMANCE APPRAISAL INTERVIEW:

DO NOT	DO
be psycho-analytical;	work on desirable job performance and results;
appraise personality characteristics and what the employee is like;	concentrate on what the employee achieves in a given set of circumstances and in a given period;
embark on sudden appraisal discussions;	let the employee know in advance the objective and the time of the discussion;
ignore the plans and results of previous interviews;	show how previous work planning contributed towards improvement of the individual and the department;
DO NOT	**DO**
pass vague general judgements	be specific, using standards as

about the employee;	criteria;
create the impression that your judgement is final;	emphasize that your opinion is based on the personal standards that you set for the job;
discuss many minor items;	focus on strengths and the significant areas for improvement;
raise old failures already discussed and corrected;	close the books or complete "stock taking" for the period under review only;
make unilateral decisions on action plans;	elicit participation from the employee in the plans for improving his/her performance;
only analyse and appraise;	translate the discussion into action plans for the future;
conduct secretive and hidden appraisals;	be as open as possible with your employees;
damage the person's self respect.	preserve human dignity.

13.3.7   QUESTIONS TO HELP WITH THE INTERVIEW

Here are some questions that may help you to gauge what is on your staff's minds:

• Feelings about the job

"Tell me how YOU feel about your job."
"Are your duties and responsibilities clear to you?
"Do you have a clear understanding of the key performance areas of your lob?"
"What parts of your job do you consider most important?"
"What suggestions do you have for improving performance in jour job or in the department/section?"
"Do you find your job offers you sufficient challenge?"

• Performance of the job

"What parts of your job do you find easiest or most enjoyable?"
"In which parts of your job do you have the greatest difficulty in meeting the required standards?"
 "Where do you feel there is the greatest room for improvement in your job?"
"How can I help you to overcome the difficulties you may have?"

• **Other subjects or problems**

"How do you feel about the effectiveness of your team/subordinates?"
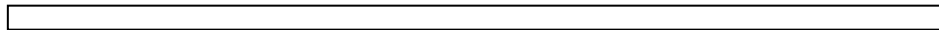*"How do you feel about the other people with whom you work?"*
"What are your own long range plans at the Frances Baard District Municipality?"
"How can I help you to achieve these goals?"
"How do you feel about the way that I have been "managing you?"
"How do you feel about discussions of this nature?"

"PLAN YOUR INTERVIEW WELL!!"

APPENDIX 4

13.4 Municipal Performance Regulations/ No. R. 805
01 August 2006

APPENDIX 5

13.5 Score Card Formats (Examples)