

competencies are considered and measurable and critical in assessing the level of senior managers including Municipal Managers:

LEADING COMPETENCY		
REQUIREMENTS FOR EMPLOYEES		
LEADING COMPETENCIES	✓	WEIGHT
1. Strategic Direction and Leadership	✓	15
Impact and Influence	✓	
Institutional Performance Management	✓	
Strategic Planning and Management	✓	
Organisational Awareness	✓	
2. People Management	✓	10
Human Capital Planning and Development	✓	
Diversity Management	✓	
Employee Relations Management	✓	
Negotiation and Dispute Management	✓	
3. Program and Project Management	✓	10
Program and Project Planning and Implementation	✓	
Service Delivery Management	✓	
Program and Project Monitoring and Evaluation	✓	
4. Financial Management	✓	15
Budget Planning and Execution	✓	
Financial Strategy and Delivery	✓	
Financial Reporting and Monitoring	✓	
5. Change Leadership	✓	10
Change Vision and Strategy	✓	
Process Design and Improvement	✓	
Change Impact Monitoring and Evaluation	✓	
6. Governance Leadership	✓	10
Policy Formulation	✓	
Risk and Compliance Management	✓	
Cooperative Governance	✓	
Policy Formulation	✓	
CORE COMPETENCIES	total	30
• Moral Competence	✓	5
• Planning and Organising	✓	5
• Analysis and Innovation	✓	5
• Knowledge and Information Management	✓	5
• Communication	✓	5
• Results and Quality Focus	✓	5
TOTAL		100%

6. EVALUATING PERFORMANCE

6.1 The Performance Plan (Annexure A) to this Agreement sets out -

6.1.1 The standards and procedures for evaluating the **Employee's** performance; and

- 6.1.2 The intervals for the evaluation of the **Employee's** performance.
- 6.2 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.
- 6.3 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.
- 6.4 The **Employee's** performance will be measured in terms of contributions to the goals and strategies set out in the **Employer's** IDP.
- 6.5 The Annual Performance Appraisal will involve:
- 6.5.1 **Assessment of the achievement of results as outlined in the Performance Plan:**
- (a) 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.
 - (b) An indicative rating on the five-point scale should be provided for each KPA.
 - (c) The applicable assessment rating calculator (refer to paragraph 6.5.3 below) must then be used to add the scores and calculate a final KPA score.
- 6.5.2 **Assessment of the Leading competencies**
- (a) Each LC should be assessed according to the extent to which the specified standards have been met.
 - (b) An indicative rating on the five-point scale should be provided for each LC.
 - (c) This rating should be multiplied by the weighting given to each LC during the contracting process, to provide a score.
 - (d) The applicable assessment rating calculator (refer to paragraph 6.5.1) must then be used to add the scores and calculate a final LC score.
- 6.5.3 **Overall rating**
- An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.
- 6.6 The assessment of the performance of the **Employee** will be based on the following rating scale for KPA's and LCs:

Level	Terminology	Description	Rating				
			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 the 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.					

6.7 For purposes of evaluating the annual performance of the Municipal Manager, an evaluation panel constituted of the following persons must be established -

- 6.7.1 Mayor;
- 6.7.2 Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
- 6.7.3 Member of the Executive Committee or in respect of a plenary type Municipality, another member of council;

- 6.7.4 Mayor and/or Municipal Manager from another Municipality; and
 6.7.5 Member of a ward committee as nominated by the Mayor.
- 6.8 For purposes of evaluating the annual performance of managers directly accountable to the Municipal Managers, an evaluation panel constituted of the following persons must be established -
- 6.8.1 Municipal Manager;
 6.8.2 Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
 6.8.3 Member of the Executive Committee or in respect of a plenary type Municipality, another member of council; and
 6.8.4 Municipal Manager from another Municipality.
- 6.9 The Manager responsible for Human Resources of the Municipality must provide secretariat services to the evaluation panels referred to in sub-regulations (d) and (e).

7. SCHEDULE FOR PERFORMANCE REVIEWS

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

First quarter	:	July – September... 2015
Second quarter	:	October – December 2015
Third quarter	:	January – March... 2016
Fourth quarter	:	April – June... 2016

- 7.2 The **Employer** shall keep a record of the mid-year review and annual assessment meetings.
- 7.3 Performance feedback shall be based on the **Employer's** assessment of the **Employee's** performance.
- 7.4 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.
- 7.5 The **Employer** may amend the provisions of Annexure A whenever the Performance Management System is adopted, implemented and / or amended as the case may be. In that case the **Employee** will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure B.

9. OBLIGATIONS OF THE EMPLOYER

- 9.1 The Employer shall –
- 9.1.1 Create an enabling environment to facilitate effective performance by the employee;
- 9.1.2 Provide access to skills development and capacity building opportunities;