

- 4.2 The performance objectives and targets reflected in **Annexure A** are set by the Employer in consultation with the Employee and based on the Integrated Development 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 goals and strategies set out in the Employer's Integrated Development Plan.

5. PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The **Employee** agrees to participate in the performance management system that the **Employer** adopts or introduces for the **Employee**, Management and Municipal Staff of the **Employer**.
- 5.2 The **Employee** accepts that the purpose of the performance management 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** must consult the **Employee** about the specific performance standards and targets that will be included in the performance management system as applicable to the **Employee**.
- 5.4 The **Employee** agrees to participate in the performance management and development system that the **Employer** adopts.
- 5.5 The **Employee** undertakes to actively focus towards the promotion and implementation of the Key Performance Areas/Indicators (including special projects relevant to the employee's responsibilities) within the local government framework.
- 5.6 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. 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 Competency Requirements (CCR's) respectively:
- 5.6.1 Each area of assessment will be weighted and will contribute a specific part to the total score.
- 5.6.2 Key Performance Areas covering the main areas of work will account for 80% and Core Management Competencies will account for 20% of the final assessment.



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5.7 The Employee's assessment will be based on his/ her performance in terms of the outputs/outcomes (performance indicators) identified as per attached **Performance Plan (Annexure A)**, which are linked to the Key Performance Areas, which constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee:

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	0%
Municipal Institutional Development and Transformation	5%
Local Economic Development (LED)	0%
Municipal Financial Viability and Management	85%
Good Governance and Public Participation	10%
Total	100%

5.8 The Core Competency Requirements will make up the other 20% of the Employee's assessment score. The following Core Competency Requirements are deemed to be most critical for the Employee's specific job as selected from the list below and agreed to between the Employer and Employee :

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES		
Core Managerial Competencies (CMC)	✓	Weight
Strategic Capability		5
Programme and Project Management		5
Financial Management	Compulsory	10
Change Management		5
Knowledge Management		10
Service Delivery Innovation		
Problem Solving and Analytical Thinking		5
People and Diversity Management	Compulsory	10
Client Orientation and Customer Focus	Compulsory	10



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CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES		
Core Managerial Competencies (CMC)	✓	Weight
Communication		5
Accountability and Ethical Conduct		5
Policy conceptualization and implementation		10
Mediation skills		5
Advanced negotiation skills		5
Advanced influencing skills		
Partnership and Stakeholder Relations		5
Supply Chain Management		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 annual performance appraisal will involve:

6.4.1 Assessment of the achievement of results as outlined in the performance plan:



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- 6.4.1.1 Each Key Performance Area 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.
- 6.4.1.2 An indicative rating on the five-point scale should be provided for each Key Performance Area.
- 6.4.1.3 A self-evaluation prior to formal assessment could not be performed due to reasons beyond the control of the Employee.
- 6.4.1.4 The applicable assessment rating calculator must then be used to add the scores and calculate a final Key Performance Area score.


6.4.2 Assessment of the Core Competency Requirements (CCRs):

- 6.4.2.1 Each CCRs should be assessed according to the extent to which the specified standards have been met.
- 6.4.2.2 An indicative rating on the five-point scale should be provided for each Core Management Competencies.
- 6.4.2.3 This rating should be multiplied by the weighting given to each Core Management Competencies during the contracting process, to provide a score.
- 6.4.2.4 The applicable assessment rating calculator must then be used to add the scores and calculate a final Core Management Competencies score.

6.4.3 Overall rating:

- 6.4.3.1 An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.
- 6.4.3.2 Assessment of Employee's performance will be based on the following rating scale for KPA's and CMC's:

Level	Terminology	Description	Rating
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			1	2	3	4	5
5	Outstanding performance - Excellent	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 - Good	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 - Fair	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 - Average	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 - Poor	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.					


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