

PERFORMANCE MANAGEMENT SYSTEM



REWARDS AND INCENTIVES POLICY

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PERFORMANCE MANAGEMENT SYSTEM (PMS)

REWARDS & INCENTIVES POLICY

INTRODUCTION

RATIONALE

The need to develop this policy emanated from the PMS Implementation Policy. In terms thereof the Municipality will, in the process of devolving its Performance Management System to the other levels of management, also investigate, adopt and implement a Rewards and Incentives Policy to motivate and reward staff for the achievement of performance targets.

CRITERIA

The PMS Implementation Policy laid down the following criteria to be used in the development of this policy:

- ✦ *There should be measurable assessment criteria based on the IDP and municipal scorecard;*
- ✦ *There should be a formal assessment against these criteria through the appraisal system as detailed in this policy and the PMS Policy;*
- ✦ *The results of these assessments should be clear enough and of such a standard that a pre-determined scale of rewards could be based thereon;*
- ✦ *In the case of rewards with a financial impact, the annual budget must be able to provide for it;*
- ✦ *An incentive and reward system should not be in conflict with any local government legislation or a binding ruling given by the Department of Provincial and Local Government (DPLG), the South African Local Government Association (SALGA) and/or the South African Local Government Bargaining Council (SALGBC).*

These criteria were upheld during the development of this policy.

PURPOSE

The purpose of this policy is then to govern the incentive and reward arrangements that will be applicable to senior officials and members of staff – excluding the Municipal Manager and section 56 Managers/Directors reporting to him as their performance stipulations are already governed through national legislation. The policy institutionalises legislatively accountable incentives and rewards into what will be known as the Performance Reward Scheme (PRS) of Overstrand.

ACRONYMS

AC	–	Audit Committee
DPLG	-	Department of Provincial and Local Government
IDP	–	Integrated Development Plan
IPED	–	Integrated Planning and Economic Development Department
IMATU	-	Independent Municipal and Allied Trade Union
KPI	–	Key Performance Indicator
LLF	–	Local Labour Forum
MFMA	–	Municipal Finance Management Act
MS	–	Management Services
MSA	–	Municipal Systems Act
OLM	-	Overstrand Local Municipality
PAC	–	Performance Audit Committee
PMS	–	Performance Management System
PMSC	–	Performance Management Steering Committee
PRS	-	Performance Reward Scheme
RRC	-	Recognition and Rewards Committee
SAMWU	-	South African Municipal Workers' Union
SALGA	-	South African Local Government Association
SALGBC	-	South African Local Government Bargaining Council

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REWARDS AND INCENTIVES POLICY

1. APPLICATION OF THIS POLICY

Excluding the Municipal Manager and section 56 managers/directors, this policy applies to all members of staff of the Overstrand Local Municipality (OLM).

2. POLICY MANDATE

2.1. POLICY GUIDANCE

Based on the Internal Auditors, the Audit Committee (AC) and the Performance Audit Committee's (PAC's) evaluation of the progress made with the performance management system (PMS) and the commitment of management and staff thereto, the Council undertook to further investigate the financial, legal and institutional feasibility of performance rewards and to adopt a Rewards and Incentives Policy in this regard. The criteria used were the following as laid down for this purpose in the PMS Policy adopted by Council:

- ✦ There should be **measurable assessment criteria** based on the Integrated Development Plan (IDP) and municipal scorecard;
- ✦ There should be a **formal assessment against these criteria** through the appraisal system as detailed in this policy;
- ✦ The **results** of these assessments should be **clear** enough and of **such a standard** that a pre-determined scale of **rewards could be based thereon**;
- ✦ In the case of **rewards with a financial impact, the annual budget must be able to provide** for it;
- ✦ An incentive and reward system should **not be in conflict with** any local government **legislation** or binding ruling given by the Department of Provincial and Local Government (DPLG), the South African Local Government Association (SALGA) and/or the South African Local Government Bargaining Council (SALGBC).

2.2. LEGISLATION

Applicable legislation and relevant regulations that govern this policy are the following:

The **Constitution of the Republic of South Africa, 1996** provides in Section 195 (h) that "good human resource management and career development practices, to maximise human potential, must be cultivated".

The **Local Government: Municipal Systems Act, Act No. 32 of 2000 (MSA)**, has relevance in the following instances:

- ✦ **Section 38 obliges** a municipality to establish a performance management system that is commensurate with its resources; best suited to its circumstances and in line with its IDP;
- ✦ **Section 39** obliges the Council to assign responsibilities for the development of the PMS to the Municipal Manager;
- ✦ **Section 55** makes the Municipal Manager, subject to the policy directives of the Council, responsible for the development of an economical, effective, efficient and accountable administration which operates in accordance with its PMS;
- ✦ **Section 66** determines that a municipal manager, within a Council policy framework, must establish a process or mechanism to regularly evaluate the staff establishment and, if necessary, to review the staff establishment and the remuneration and conditions of service of all staff except managers appointed in terms of section 57;
- ✦ **Section 67** regards the monitoring, measuring and evaluating of performance of staff as a platform to develop human resources and to hold municipal staff accountable to serve the public efficiently and effectively.
- ✦ **Section 72** makes provision that the Minister of DPLG may, after consultation with the SALGBC issue guidelines to provide for the development of incentives frameworks for staff members of municipalities – but this has not yet been done therefore no national guidelines currently exist.

The **Local Government: Municipal Finance Management Act, Act No. 56 of 2003 (MFMA)** among other things relevant to the PMS and specifically to this policy, requires accountable budgeting and transparency in terms of staff establishment matters, i.e.:

- ✦ **Section 17** requires in subsection (3)(k) that the proposed cost in respect of the salary, allowances and benefits of ... (iii) the municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality that receives a remuneration package equal to or greater than that of a senior manager must be budgeted for;
- ✦ **Section 124(1)(c)** requires that the particulars of salaries, allowances and benefits of the municipal manager, chief financial officer, every senior manager and such categories of other officials as may be prescribed, be included in the municipality's annual financial statements.

Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006 published in Government Gazette No. 29089 dated 1 August 2006 contains performance regulations for municipal managers and managers directly accountable to the municipal managers. The regulations inter alia include the criteria applicable to performance bonuses and set a format for appraisal rating – therefore the exclusion of these officials from this policy.

2.3. ORGANISED LOCAL GOVERNMENT

A **resolution in respect of Performance Management adopted by SALGA** at its Human Resources Conference held in 2003, which proposed the establishment of a Performance Reward Scheme (PRS) including non-cash incentives and rewards for Bargaining Unit employees (i.e. not s.56 employees). The proposed rewards being the following: formal rewards, achievement rewards and informal rewards.

SALGBC – the Collective Agreement between SALGA, SAMWU and IMATU, No. R. 854 published on 21 September 2007 in Government Gazette No. 30306 has relevance in that it determines the following:

Matters of collective bargaining at national level only:

- ✦ Wages and salaries;
- ✦ medical aid;
- ✦ retrenchment policy and severance pay;
- ✦ retirement funds;
- ✦ home owners' allowance;
- ✦ annual leave;
- ✦ maternity leave;
- ✦ sick leave;
- ✦ hours of work; and
- ✦ family responsibility leave

Matters of collective bargaining at divisional level only:

- ✦ special leave;
- ✦ acting allowance;
- ✦ night work allowance;
- ✦ standby allowance;
- ✦ shift allowance;
- ✦ long service bonus;
- ✦ emergency work;
- ✦ legal indemnifications;
- ✦ additional paid sick leave;
- ✦ administrative measures for the taking of sick leave; and
- ✦ measures to manage the taking and accrual of sick leave.

As further stated in the collective agreement, the Local Labour Forum (LLF) has the powers and functions of negotiating and/or consulting on matters of mutual concern pertaining to the employer and which do not form the subject matter of negotiations at the SALGBC or its divisions.

2.4. DEPARTURE POINTS

The above discussion leads to the following departure points being adopted for this policy:

- i. This policy will apply until the Minister of DPLG, after consultation with the SALGBC, issues national guidelines in terms of section 72 of the MSA to provide for the development of an incentives framework and OLM has amended this policy to comply with such guidelines;
- ii. It is accepted that:
 - ✦ long service bonuses may not form part thereof; and
 - ✦ the implementation of the policy and any changes thereto must be done in consultation with the LLF.

- iii. Rewards and incentives will primarily be of a non-cash nature and will use the guidance of SALGA as the basis of the PRS of OLM, however with certain adjustments to make it more compatible with the performance appraisal process already applicable to the Municipal Manager and s.56 Managers/Directors;
- iv. Performance bonuses of a cash nature may only be considered if it is affordable, budgeted for, approved by the Council and indicated in the annual financial statements of OLM.

3. OBJECTIVES

The objectives of the policy are:

- i. To establish and institutionalise a PRS in accordance with the accepted departure points;
- ii. To ensure the PRS commensurate with the resources of the Municipality including budgetary considerations;
- iii. To ensure that the PRS promotes the achievement of individual and team objectives linked to the realisation of departmental and organisational IDP objectives in a manner most suitable to the different work arrangements;
- iv. To establish a link between performance targets and achievement and the core competencies of team work, customer service and service delivery;
- v. To establish a representative Recognition and Rewards Committee (RRC) to protect the integrity of the PRS;
- vi. To use incentives and rewards to give recognition for and reinforcement of good performance.

4. PURPOSE

The primary purpose of the policy is:

- i. To build a workforce motivated to the development of skills and competencies focused on the establishment of an effective, efficient and accountable workforce;
- ii. To set challenging yet realistic objectives for individuals, teams and departments; and
- iii. To improve and maintain customer service and service delivery throughout the municipality.

To achieve this purpose the policy sets out to:

- ✦ Create a positive environment
- ✦ Motivate high performance
- ✦ Reinforce desired behaviour
- ✦ Create a culture of recognition
- ✦ Increase morale
- ✦ Support the municipality's mission and values
- ✦ Increase retention of staff and decrease the turnover of staff
- ✦ Encourage loyalty and identification with the municipality

5. PRINCIPLES FOR SUCCESSFUL IMPLEMENTATION

The following principles will be adhered to in order to ensure the successful implementation of this policy and the PRS:

- ✦ **Structure and Integrity:** the policy will be implemented in a structured, orderly manner as agreed by the RRC which committee will be representative of the relevant role-players and accountable to the Council.
- ✦ **Clear objectives and design:** the RRC will reach consensus on the objectives and design of the implementation process to give effect to this policy.
- ✦ **Measurability of performance:** the criteria agreed to by the RRC will leave no room for misusing the system but will ensure that the PRS applies to teams and/or individuals based on targets set in line with IDP objectives and which are accountable, measurable, achievable, relevant and time-bound.
- ✦ **Transparency:** the basis for appraisal and the manner in which rewards and incentives are arrived at will be transparent at both the individual and collective level and well communicated to the staff.
- ✦ **Fairness in operation:** the PRS will be implemented following a fair and equitable approach with no bias or favouritism, and, where rewards and incentives are competency based, all staff will have equal access to training - where appropriate team-based or where appropriate individually-based.
- ✦ **Adequate appraisal:** the appraisors involved in the PRS will have skills matching the discipline appraised and the complexity of the work so appraised and adequate time will be allowed to do appraisals as set out in the Performance Management Implementation Policy to which this policy is an annexure. Should the RRC consider it necessary to use external facilitators to assist with the appraisal process of senior managers such a recommendation including the financial implications thereof, will be submitted to the Municipal Manager.
- ✦ **Training:** will be available to all staff members who are on the system.
- ✦ **Evaluation and Monitoring of the PRS** – the system will be monitored on an ongoing basis and at least be evaluated on an annual basis by the RRC. In doing so, the RRC will be accountable to Council, provide value-added inputs, ensure that the relationship between performance and pay is above all scrutiny; department, section, team constraints or other factors impacting on performance are identified, recognised and accounted for in the implementation of the PRS.
- ✦ **Staff motivation and morale:** achievement incentives and rewards as well as informal rewards will be relevant and/or adequate to motivate staff.

6. RECOGNITION AND REWARDS COMMITTEE - RRC

6.1. COMPOSITION

The RRC will be composed of an equal number of Councillors and representatives of organised labour but not exceeding three representative from each side. The Councillors will be members of the Mayoral Committee so delegated by the Executive Mayor. Other members of the RRC will include the Municipal Manager, the Management Services (MS) Director or their delegated representatives and the Chairperson or another delegated member of the Performance Appraisal Committee.

6.2. MEETINGS

The RRC will meet on a bi- monthly basis for the first year of implementation of this policy and thereafter on a quarterly basis. Attendance and minutes will be kept of all meetings. The chairperson/delegated member of the PAC or, in the absence thereof, the chairperson/delegated member of the AC, will chair all meetings.

6.3. MANDATE

Dependent on and not to overlap with the work already done by other committees in terms of the PMS, the mandate of the RRC includes reaching consensus and making recommendations on the following matters:

- i. The most feasible manner in which to roll-out the PRS in terms of the levels of staff involved, e.g. a phased process or immediately including the entire workforce,
- ii. When should performance be measured on an individual basis and when on a collective basis as applicable to a team, unit or whole department;
- iii. The criteria applicable to the various types of awards;
- iv. The manner in which the presentation of achievement recognition rewards and informal rewards to the recipients thereof will be done;
- v. The level of staff to which cash rewards may apply depending on the affordability thereof for the Municipality.

The RRC will furthermore do an annual review of the PRS and submit an annual report to the Municipal Manager who would follow the correct channel via the PAC for submission of the report to Council. The report will highlight problem areas, success factors and the overall impact of the PRS.

Recommendations of the RRC that will have financial and policy implications for the Municipality, will be subject to Council approval.

6.4. INDIVIDUAL VIS-À-VIS TEAM CONSIDERATIONS

The RRC will take cognisance of the following distinctive characteristics applicable to individual performance vis-à-vis team performance measurement:

An individual based approach requires individual goal setting and the individual should have a large measure of control over his/her own performance. A high value is placed on individual training to achieve certain qualifications, demonstrate certain skills and increase job knowledge. An individual based approach is not appropriate where the objective is to promote better overall performance through team work, co-operation and sharing of information and knowledge, or where individual performance will not be measurable.

A team based approach is appropriate where individual performance is difficult to measure or where promoting team values and co-operation is afforded a high priority.

7. PERFORMANCE REWARDS SCHEME - PRS

7.1. PERFORMANCE AGREEMENT

Each staff member participating in the PRS must, irrespective of whether he/she will be appraised as an individual or as part of a team, complete and enter into an annual performance agreement (**refer to Appendix 1**) with the OLM before 31 July of each year.

7.1.1. KEY PERFORMANCE INDICATORS (KPIs) AND TARGETS

The KPIs and Targets of individuals and teams will be dictated by the KPIs and Targets of their respective departments. A weighting of 80:20 is allocated to the KPIs and Competencies (see below and in Appendix 1) respectively. Therefore KPIs referring to the main tasks of the individual / team account for 80% of the assessment while the Competencies of the individual / team make up the other 20% of the assessment score.

The following criteria must be kept in mind in determining individual / team KPIs and specifically the targets for each KPI:

Specific: The performance target should be one that can be witnessed or observed, defined and concrete.

Measurable: One should be able to assess, evaluate, and distinguish between different performance levels. The end result can be identified in terms of quantity, quality, time lines, cost, acceptable standards, or procedures. Definitive results can be identified for all work.

Quantity: How many units of output should be expected per period of time or in total over a year.

Quality: Suitable targets could refer to the error rate, an overall level of satisfaction with reports, policies, other documentation, etc., the number of public complaints against a directorate / division, etc.

Time lines: Task milestones, task completion dates, or other deadlines.

Cost: Depending on the nature of the deliverable, cost per unit of output or maintenance costs within the budget.

Achievable: Each performance target should be one that can be achieved by the individual / team without barriers that hinder its completion. However, it should not be so easily achieved that the individual / team is not challenged nor so difficult that the individual / team becomes frustrated. It should be reasonable.

Realistic: Each target should be an actual requirement of the individual / team's job and within the parameters of the individual / team's job description.

Time bound: Each target should have a time frame associated with it – daily, weekly, monthly, etc.

7.1.2. COMPETENCIES

The following core competencies as defined will apply to all staff / teams participating in the PRS.

Core Competencies	Definition
<i>Customer Service</i>	Whether providing a service to an internal or external customer, this means trying to find out what the needs of the customer are and then meeting them. At a minimum, employees are required to react to customer needs by following up on queries, keeping promises, being honest in all their dealings, adhering to the policies, procedures and delegations of the council, keeping the customer up to date, being friendly and helpful and solving problems quickly and without argument. Ideally, all employees, especially those at a management/supervisory level, are required to be pro-active by trying to understand the underlying needs of the customer and providing an appropriate service based on these needs.
<i>Teamwork</i>	In order to be successful and to meet service delivery requirements, it is essential that all employees co-operate and communicate with each other. This is measured by the extent to which an employee does his/her share of the work: helps out in times of crisis, supports decisions taken by the municipality, makes an effort to communicate with team members so that he/she knows what is going on in other areas besides his/her own and provides information to others on what he/she is doing. At a management/supervisory level employees are required to facilitate a friendly working environment where co-operation is encouraged, where conflicts are resolved quickly and amicably and where information is communicated so that there is a common knowledge and understanding of the municipality's activities.
<i>Service Delivery</i>	This is about wanting to work well to achieve a high standard by trying to improve on the way things are done and by working towards achieving the work objectives. It is also about putting plans into action, meeting deadlines, taking initiative and solving problems to ensure that things get done. Employees must not wait to be told to do something but rather are encouraged to use their initiative to make sure that things get done accurately and efficiently.

7.1.3. PERFORMANCE APPRAISAL PROCESS

The formal performance appraisal process applicable to formal rewards is set out in the PMS Implementation Policy of which this Policy is an annexure.

The achievement recognition incentives and rewards and the informal rewards will be appraised in a manner determined by the RRC.

7.1.4. RATING CRITERIA

Each KPI and Competency will be rated during the performance appraisal process using the following five-point scale:

1	Unacceptable
2	Not fully effective
3	Fully effective
4	Above expectations
5	Outstanding

Each KPI and Competency will be assessed according to the extent to which the specified standards or performance targets have been met and with due regard to ad hoc tasks that had to be performed to determine which rating on the five-point scale did the individual / team achieved. The following criteria could assist:

Duration of task	- Was the target achieved within the projected time frame?
Level of complexity	- Required problem solving - Reconciling different perceptions - Innovative alternatives used
Cost	- within budget - saving - overspending
Constraints	- Did envisaged constraints materialise? - If so, were steps taken to manage/reduce the effect of the constraint? - If not, did it beneficially affect the completion of the target? - Any innovative/pro-active steps to manage the constraint

7.2. FORMAL REWARDS

Formal rewards are allocated to individuals based on above average, outstanding or exceptional personal performance measured against the annual performance targets of the person and his/her display of the personal competencies applicable to the job as detailed in his/her performance agreement with the Municipality. Formal rewards are thus linked to the personal scorecards as per the scores obtained at the end of a formal review in June of each year. It is recognition for performance which is separate from the pay and benefits package.

Fully effective and above average performance – the person not only achieved the majority of the targets but actually exceeded it; outstanding refers to performance that exceeded the targets of all the KPIs and exceptional refers to performance that exceeded all the targets to a significant extent. Therefore a person who did his/her job well but did not perform above average will not qualify for such a reward.

7.2.1. NATURE OF FORMAL REWARDS

The formal rewards and points to be scored for each of these are set out below. Of importance is that only senior managerial employees on remuneration level 6 and upwards will be allowed to exercise the option of a cash reward in lieu of free leave days in each of the categories.

Score Obtained on Performance Agreement	Formal Rewards
<p>81 – 100 Exceptional performance</p>	<ol style="list-style-type: none"> 1. The employee is granted three “free” leave days. The Manager/Supervisor and employee must agree on the dates. This leave must be taken within three months of it being awarded. 2. The employee is able to attend a conference/seminar relevant to his/her work. The Manager/Supervisor and employee must both agree that the conference/seminar is of work related importance. The amount spent on sending the employee to the conference (including any travel/accommodation requirements) may not exceed the rand value of three days leave i.e. the rand value of three days of the employee’s total monetary package. 3. The employee may select a work tool or domestic appliance. The amount spent on the work tool / domestic appliance may not exceed the rand value of three days leave i.e. the rand value of three days of the employee’s total monetary package. 4. If within the designated level of remuneration, the employee may exercise the option to take the equivalent of three days leave in cash which cash amount will be paid out to him/her within three months of the date of appraisal.
<p>71 – 80 Outstanding performance</p>	<ol style="list-style-type: none"> 1. The employee is granted two “free” leave days. The Manager/Supervisor and employee must agree on the dates. This leave must be taken within three months of it being awarded. 2. The employee is able to attend a conference/seminar relevant to his/her work. The Manager/Supervisor and employee must both agree that the conference/seminar is of work-related importance. The amount spent on sending the employee to the conference (including any travel/accommodation costs) may not exceed the rand value of two days leave i.e. the rand value of one-and-a-half days of the employee’s total monetary package. 3. The employee may select a work tool or domestic appliance. The amount spent on the work tool / domestic appliance may not exceed the rand value of two days leave i.e. the rand value of two days of the employee’s total monetary package.

	<p>4. If within the designated level of remuneration, the employee may exercise the option to take the equivalent of two days leave in cash which cash amount will be paid out to him/her within three months of the date of appraisal.</p>
<p>61 – 70 Fully effective and above average Performance</p>	<p>1. The employee is granted one “free” leave day . The Manager/ Supervisor and employee must agree on the dates. This leave must be taken within three months of it being awarded.</p> <p>2. The employee is able to attend a conference/seminar relevant to his/her work. The Manager/Supervisor and employee must both agree that the conference/seminar is of work-related importance. The amount spent on sending the employee to the conference (including any travel/accommodation costs) may not exceed the rand value of one day’s leave i.e. the rand value of one day of the employee’s total monetary package.</p> <p>3. The employee may select a work tool or domestic appliance. The amount spent on the work tool / domestic appliance may not exceed the rand value of one day’s leave i.e. the rand value of one day of the employee’s total monetary package.</p> <p>4. If within the designated level of remuneration, the employee may exercise the option to take the equivalent of one day’s leave in cash which cash amount will be paid out to him/her within three months of the date of appraisal.</p>
<p>50 - 60</p>	<p>No reward – person considered as doing his/her job well but not been fully effective.</p>
<p>49 and below</p>	<p>Compulsory performance counselling – person considered as performing below what is expected from him/her.</p>

7.3. ACHIEVEMENT RECOGNITION INCENTIVES AND REWARDS

Achievement recognition rewards will be given to recognise the achievements of individuals, teams, units/sections and departments to encourage high performance throughout the year. These rewards are to be introduced by managers in their respective departments. These rewards measure the achievements of an individual/team/function/department against other individuals/teams/functions/departments. The rewards are not directly linked to the PMS but are additional thereto to encourage and recognise high performance.

7.3.1. NATURE OF THE INCENTIVES/REWARDS

The most commonly offered recognition programmes which the RRC will take in consideration are:

- ✦ Above and beyond performance
- ✦ Retirement farewells
- ✦ Suggestions/ideas
- ✦ Employee of the year/month
- ✦ Safety performance
- ✦ Attendance

The types of items which could be presented as recognition rewards as further determined by the RRC are:

- ✦ Thank you cards
- ✦ Letters of appreciation
- ✦ Certificates and / or plaques
- ✦ Honorary awards for notable contributions
- ✦ Institution logo merchandise
- ✦ Gift certificates for products/items
- ✦ Jewellery
- ✦ Flowers
- ✦ Office accessories
- ✦ Household items
- ✦ Recreational goods/sporting goods
- ✦ Electronics
- ✦ Gift certificates for personal services
- ✦ Travel
- ✦ Timepieces
- ✦ Meals
- ✦ Paid time off / holidays

Achievement Awards which will be considered by the RRC are:

- ✦ Team member of the month
- ✦ Team member of the year
- ✦ Manager/supervisor of the year
- ✦ Department of the year
- ✦ Most improved employee of the year

7.3.2. PRESENTATION

The achievement recognition incentives and rewards will be presented to recipients in a manner to be agreed on by the RRC. The following will be considered:

- ✦ Special event
- ✦ One-on-one with manager
- ✦ Staff meeting
- ✦ Institution wide meeting
- ✦ Random acts of gratitude
- ✦ Celebrations, e.g. department celebration

The RRC will also consider which of the following media will be used to communicate the recognition achievement rewards and the programme as such:

- ✦ Institution newsletter
- ✦ Employee orientation
- ✦ Posters, flyers
- ✦ Employee handbook

- ✦ Intranet
- ✦ Appreciation event
- ✦ Notice board

7.4. INFORMAL REWARDS

Informal rewards will be no cost or low cost rewards linked to motivational team-building.

7.4.1. NATURE

The informal rewards to be decided on by the RRC could be the following:

No cost rewards:

- ✦ Verbal or written thank you by the supervisor, manager, municipal manager
- ✦ Achievement made visible on the notice boards, internal newsletter

Low cost rewards:

- ✦ Meal for employee and spouse
- ✦ Visit to health spa or beauty parlour
- ✦ Cover employee desk with flowers
- ✦ Arrange a magazine subscription
- ✦ Tickets to local events
- ✦ A cap
- ✦ A key ring/case
- ✦ Tie
- ✦ Calculator
- ✦ Wallet
- ✦ Umbrella
- ✦ Sunglasses
- ✦ Engraved pen set
- ✦ Sports shirt/blouse
- ✦ Clock or watch

7.4.2. PRESENTATION

The informal rewards will be presented to recipients in a manner to be agreed on by the RRC.

PERFORMANCE AGREEMENT

Appendix 1

Each staff member participating in the Performance Rewards Scheme must, irrespective of whether he/she will be appraised as an individual or as part of a team, complete and enter into this performance agreement with the Overstrand Municipality before 31 July of each year.

PERFORMANCE AGREEMENT	
Employee's Name: _____	
Manager's / Supervisor's Name: _____	
The overall objective of the Municipality is to: * Provide democratic and accountable government for local communities; * Ensure the provision of services to communities in a sustainable manner; * Promote social and economic development; * Promote a safe and healthy environment; * Encourage the involvement of communities and community organisations in the matters of local government.	The overall objective of my department / section is:
	The overall purpose of my job as individual / part of a team is:

INDIVIDUAL / TEAM OUTPUTS			
Key objectives	Target Dates	Performance standards / Performance Indicators	Weighting
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
		Total for Inputs:	80
INDIVIDUAL INPUTS (Skills, Knowledge & Behaviour)			
Input	Definition	Performance standards / Performance Indicators	Weighting
1. Customer Focus			
2. Teamwork			
3. Service Delivery			
4.			
5.			
		Total for Inputs:	20
		Total Performance:	100

Policy Section:	Strategic Services
Current Update:	N/A
Previous Review:	N/A
Approval by Council:	26 November 2008