



**OFFICE OF THE PREMIER**

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Date : 21 May 2015

TO ALL HEADS OF DEPARTMENT: LIMPOPO PROVINCIAL  
ADMINISTRATION.

DIRECTOR GENERAL's CIRCULAR NO 20 OF 2015.

**SUBJECT: APPROVAL AND IMPLEMENTATION OF PERFORMANCE  
MANAGEMENT DEVELOPMENT SYSTEM (PMDS) POLICY.**

**1. Executive Council meeting of the 06 August 2014 took a decision No. 31 of 2014/2015 that:**

1.1 The Limpopo Province should implement the determination of the MPSA on PMDS policy for members of the SMS for the 2014/2015 performance cycle with effect from **1 September 2014**; and that

1.2 The Province should adopt and customize the EPDMS issued by the DPSA for levels 1-12 as the Provincial Policy with effect from **1 April 2015**, and that this should be done in order to allow thorough consultation with all the stakeholders (Level 1-12 employees and the organized labour) as well as to have enough time to build capacity in the departments to deal with the matter.

2. Departments are informed that the PMDS policy for salary levels 1-12 has been approved and is to be implemented with effect from **01<sup>st</sup> April 2015**.

3. Departments are further informed that:
- 3.1 They should set performance standards against set activities to monitor achievements of set targets,
  - 3.2 They should develop their own criteria for implementation of 10% and 5% when implementing the Incentive Policy Framework,
  - 3.3 They should ensure that employees sign amended Performance Agreements in terms of the new templates on or before **31<sup>st</sup> of July 2015**.

Kinds Regards

  
**Acting Director General**  
**Dr. P.P PHEME.**



**EXECUTIVE COUNCIL MEETING: 06 AUGUST 2014**

**DECISIONS**

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**Review of the Limpopo Provincial Performance Management and Development Policy (Office of the Premier)**

**Executive Council Decision No. 31 of 2014/15**

- 31.1 The Executive Council **approved** that the Limpopo Province should implement the determination of the MPSA on PMDS policy for members of the SMS for the 2014/15 performance cycle with effect from 1 September 2014;
- 31.2 The Executive Council **approved** that the province should adopt and customize the EPDMS issued by the DPSA for levels 1-12 as the Provincial Policy with effect from 1 April 2015, and that this should be done in order to allow thorough consultation with all the stakeholders (Level 1-12 employees and the organized labour) as well as to have enough time to build capacity in the departments to deal with the matter; and
- 31.3 The Executive Council **endorsed** the need to develop a project plan and the necessary project structures with clear roles and responsibilities to oversee and facilitate this process (Steering and Technical Committees).



# LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

EXECUTIVE COUNCIL MEETING: 04 MARCH 2015

## DECISIONS & DIRECTIVES

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### DECISIONS

Limpopo Provincial Performance and Development Policy (Office of the Premier)

Executive Council Decision No. 81 of 2014/15

- 81.1 The Executive Council approved the implementation of the revised Limpopo Provincial Performance Management and Development Policy as from the beginning of the 2015/16 financial year.



# LIMPOPO

## PROVINCIAL GOVERNMENT

REPUBLIC OF SOUTH AFRICA

LIMPOPO PROVINCIAL ADMINISTRATION

POLICY ON PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

Effective Date: 1<sup>st</sup> April 2015



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## **1. Introduction**

The Performance Management and Development System (PMDS) policy provides a standardized framework for employee performance. The policy determines responsibilities for specific aspects of the PMDS. With the Strategic Plans and Annual Performance Plans (APP) as basis, the Provincial Departments are able to identify priorities and specific objectives to be achieved by branches, components and units.

Performance agreements for employees enable the Limpopo Provincial Administration to assign specific performance objectives and targets to its employees. This also enables employees in the Provincial Departments to participate meaningfully in the management of their own performance. The successful implementation of performance management is to the greatest degree dependent on all employees accepting responsibility for their performance, in co-operation with their supervisors and managers.

## **2. Purpose**

The PMDS of the Limpopo Provincial Administration is aimed at planning, managing and improving employee performance to ensure optimal utilisation of human resources as a critical element in achieving the outcomes and objectives of the Limpopo Provincial Administration.

Government has adopted the outcomes approach, based on the principles of results based management. These principles are reflected in the Strategic Plans and APPs of the Provincial Departments. The PMDS establishes the link between the performance of employees and the outputs and outcomes to be achieved by the Departments as described in the Strategic Plans and APPs.

## **3. Authorisation and Scope of application**

This policy is compliant with the following regulatory framework:

- The Constitution of the Republic of South Africa, 1996
- The Public Service Act, 1994, as amended (Act 30 of 2007)
- The Public Service Regulations, as amended, 2001
- The Skills Development Act (Act 97 of 1998)
- The Labour Relations Act (Act 66 of 1995)
- Promotion of Equality and Prevention of Unfair Discrimination Act, (Act 4 of 2000)
- Employment Equity Act (Act 55 of 1998)





- Public Finance Management Act, 1999 (Act 1 of 1999)
- White Paper on Transformation of the Public Service, 1995
- White Paper on Human Resource Management, 1997
- White Paper on Transforming Public Service Delivery (Batho Pele), 1997
- SMS Performance Management and Development System
- Applicable Directive and relevant Resolutions

**This policy applies to all employees in the Provincial Administration appointed in terms of the Public Service Act, 1994, as amended. While Chapter 4 of the SMS handbook prescribes the PMDS of SMS members, this policy attempts to provide an integrated PMDS across the whole of the provincial administration. Some areas of this policy may apply to both SMS members and to officials at salary levels 1-12 (including OSD employees), as indicated.**



## 4. Objectives and Principles

### 4.1 Objectives

In order to promote individual performance, achievement and development, the objectives for performance management are to:

- provide a clear link between the performance of employees and the performance of the Provincial Departments against their APPs,
- Establish a performance and learning culture in the Provincial Administration,
- Serve as a management instrument for implementing goals and strategies,
- Improve service delivery,
- Ensure that all employees know and understand what is expected of them,
- Promote interaction on performance between employees and supervisors,
- Identify, manage and promote employees' development needs,
- Evaluate performance fairly and objectively,
- Recognize categories of performance that are fully effective and better, and
- Manage categories of performance that are not fully effective and lower

### 4.2 Principles

The key principles underpinning effective performance management are:

- The departments shall manage performance in a consultative, supportive and non-discriminatory manner to enhance organisational efficiency and effectiveness, accountability for the use of resources and the achievement of results.
- Performance management processes shall link to broad and consistent staff development plans and align with the department's strategic goals.
- Performance management processes shall be developmental, and shall allow for recognising fully effective performance, and for an effective response to performance that is consistently not fully effective and lower.
- Performance management procedures should minimise the administrative burden on supervisors while maintaining transparency and administrative justice.



## **5. The Performance Cycle.**

The performance cycle is the period in respect of which performance is to be assessed. The performance cycle is a 12-month period commencing 1 April to 31 March of the following year. It is aligned to the period of the Departments Annual Performance Plans and budget. The 12-month cycle is also linked to the financial year for the purpose of planning, pay progression and other performance related incentives such as performance awards. The probation cycle, however, will be linked to the appointment date of the employee.

The performance cycle is divided into the following phases for the effectiveness of operations:

- Finalisation of the Department's Annual Performance Plan, based on the Department's Strategic Plan and Budget
- Individual performance planning and agreement
- Performance monitoring, review and assessment
- Performance moderation, and
- Outcomes of Performance Assessment

## **6. Performance Agreement**

### **6.1 General principles**

- 6.1.1 The Performance Agreement (PA) is the basis of performance management at an individual level. All employees must enter into and sign performance agreements before 30 April of the new cycle or within two months if newly employed. The performance agreement of the employee will be informed by the Department's Strategic and Annual Performance Plan. It must also be aligned to the component's operational plan, the employee's job description, job role and actual activities and responsibilities.
- 6.1.2 If an employee changes jobs during the performance cycle, but remains at the same level, a new PA must be entered into for the new role and the performance assessment should take both periods into consideration.
- 6.1.3 Only supervisors on salary level 7 or higher are authorised to enter into a performance agreement with another employee on behalf of the Provincial Administration. The PA, especially the workplan, may be re-negotiated if the employee has not been in the job role for three months or more for any reason, as for example maternity leave, ill health, study, secondment, or travel; unless this absence was built into the original agreement.





- 6.1.4 The criteria upon which the performance of an employee is assessed consist of Key Results Areas (KRAs) and Core Management Criteria (CMCs – applicable to SMS) or Generic Assessment Factors (GAFs – applicable to salary levels 1-12) which are contained in the PA.

Each employee must be assessed against both areas. KRAs covering the main areas of work will account for 80% of the final assessment, while the CMCs or GAFs make up the other 20% of the assessment score.

## 6.2 The Work Plan

- 6.2.1 KRAs describe what is expected from an employee in his/her role and focus attention on actions and activities that will assist units and ultimately the departments in performing effectively against their APPs.

- 6.2.2 In the work plan the KRAs should be broken down into outputs and activities with the related performance measures/targets/indicators and resource requirements. These are used to indicate how the performance or achievement of the outputs and activities will be measured. KRAs can cover many different aspects of the work such as:

- ☐ Specific tasks or events which the employee should ensure are achieved;
- ☐ Levels of performance which the employee should maintain and promote;
- ☐ Actions or situations for which the employee is personally responsible for delivering his/her "unique contribution"; and
- ☐ Duties and responsibilities related to advice and support given, for example, by specialists to clients.

- 6.2.3 Although there is no limit to the number of KRAs to be included in a PA, they should preferably not exceed 6. Each KRA should be broken down into measurable outputs and/or duties/responsibilities and activities. Each KRA should be weighted in percentage (%) according to the importance it has in the employee's job. The weighting of all the KRAs should add up to 100%.

When assigning a weight to a KRA, there must be some balance between the KRAs (maximum of 30% and minimum of 10%).

- 6.2.4 Management may from time to time decide on compulsory / generic KRA's for certain categories of employees.





### 6.3 Core Management Criteria (CMCs) and Generic Assessment Factors (GAFs)

6.3.1 CMCs apply to members of the SMS and GAFs apply to employees at salary levels 1-12. CMCs and GAFs are elements and standards used to describe and assess performance, taking into consideration knowledge, skills and attributes.

6.3.2 The CMCs and GAFs (as indicated on the PA template) are used to calculate 20% of the employee's assessment score. The supervisor and employee must agree on at least five (5) CMCs or GAFs that are deemed to be most important for effective performance in that particular job. The service delivery (Batho Pele) imperative and principles are expected to be applied in assessing CMCs and GAFs. Certain CMCs or GAFs may be compulsory (as indicated on the PA template) for certain categories of employees.

6.3.3 GAFs apply to all employees on salary level 1-12.  
GAFs are elements and standards used to describe and assess performance, taking into consideration knowledge, skills and attributes and the Management expectation from the employee in respect of conduct and behavior.

6.3.4 The GAFs are used to calculate 20% of the employee's assessment score.  
**The supervisor and employee must agree on at least five (5) but not exceeding ten (10) of the GAFs listed below.**

**The GAFs are deemed to be most important for effective performance in a particular job as outlined in the Public Service Charter.**

- Job knowledge /Job specific skills
- Accountability & Responsibility
- Quality of work
- Reliability, Honesty and Integrity
- Initiative and Innovative
- Communication
- Interpersonal relationships
- Flexibility
- Team work
- Planning and execution
- Leadership
- Delegation and empowerment
- Financial resources Management



- Human resources Management
- Punctuality
- Professionalism
- Confidentiality
- Dress Code
- Friendliness
- Batho Pele Principles
- Impartiality
- Respect for Others (Clients & Co-workers)
- Loyalty
- Responsibility for self-development

6.3.5 Employees should be assessed against the selected CMCs or GAFs applicable to their jobs. A professional may for example have no employees under his/her control or may have no financial responsibilities. To adapt the CMCs or GAFs to specific jobs and job contexts, the employee and supervisor will need to:

- Decide which of the CMCs or GAFs apply to the employee's job.
- Weigh each relevant CMC or GAF to show the extent to which it relates to the specific job. One way of jointly arriving at decisions on how important any specific CMC or GAF is to a specific job is to use the factors of impact and frequency. The greater the impact and frequency, the greater the importance that criterion is likely to have on the achievement of effective performance results. The weighing of all the CMCs or GAFs should add up to 100%.

#### **6.4 Personal Development Plan (PDP)**

6.4.1 The PA must include a Personal Development Plan. The purpose of this is to identify any performance output shortfall or areas in which the employee wishes to enhance his/her skills and knowledge. The competence gap or area of skills enhancement may relate to any of the CMCs or GAFs included in this PMDS or any other area of the employee's knowledge, skill and attribute requirement.

6.4.2 The PDP should include interventions relating to the technical or occupational "hard skills" of the job, through e.g. appropriate training interventions, on-the-job training, expanded job exposure, and job rotation. The employee and the supervisor are required to take joint responsibility for the achievement of the PDP with allocated responsibilities clearly recorded on the PDP agreement document. The PDP of an employee should relate to the core





duties and responsibilities of the job and broadly also with the skills requirements of the Department. The PDPs of employees will inform the Workplace Skills Plan.

## **7. Prolonged Absence and Staff movement**

### **7.1 Absence during the cycle**

7.1.1 Normal periods of leave for example vacation leave and/or short periods of sick leave do not usually interfere unduly with the employee's performance management cycle. In the case of other forms of absence for a continuous prolonged period of time, supervisors and employees should have a discussion to reach mutual agreement on the ability to execute a meaningful rating for that period or for an annual assessment.

7.1.2 **The principle is that consistent performance that fully meet the standards through the cycle translates to a 3-rating ("effective performance").**

### **7.2 Acting in higher positions**

7.2.1 When an employee is appointed to act in a higher position for a period shorter than six weeks, the work-plan should be based on the post that the employee is permanently appointed to. Depending on the employee's performance during the periods of acting, recognition for performance of the duties of the higher position should be given during the performance assessment, on the workplan of the permanent post.

7.2.2 When acting in a higher position for longer than six weeks, where an acting allowance is being paid, a work-plan must be compiled for the higher position that the employee would be expected to perform against. The performance of the employee, acting in the higher position, will be assessed in terms of the amended workplan, against the standards applicable to the level of the employee's permanent position. Performance incentives must be calculated at the salary level of the post to which the employee is permanently appointed, based on the employee's salary notch on 31 March of the cycle.

### **7.3 Staff movement / Employees' transfer**

7.3.1 When employees are transferred at the same level, it is their responsibility to provide their most recent performance assessment to the new department. Where staff members change jobs within the department during the PMDS cycle, performance reviews related to the employee vacating the post have to be completed prior to moving to the new post/position.



7.3.2 If the employee changing jobs is a supervisor or manager, performance reviews for each employee under her/his control should be completed prior to her/his movement. When an employee is transferred to another department, a progress review discussion will be conducted for the current PMDS cycle prior to the employee leaving the department. In the case of supervisors, regardless of the reason for their departure, they will be required to assess their staff prior to departure.

#### 7.4 Amendments to the performance agreement

Performance in the Public Service takes place in a dynamic environment. Even though the initial PA is signed at the start of the performance cycle, significant changes and additions must on an on-going basis be reflected in the PA and Workplan when there is a need. The PA and Workplan against which an employee is assessed at the end of the cycle must accurately reflect the employee's actual activities and outputs during the entire performance cycle. **Amendment to PAs cannot be made in the last quarter.** Amendments must be made to the PA and Workplan and these must be signed and dated by both the employee and her/his supervisor.

### 8. Performance, Review and Assessments

#### 8.1 Performance monitoring

Performance at individual level must be continuously monitored to enable the identification of performance barriers and changes and to address development and improvement needs as they arise, as well as to:

- Determine progress and/or identify obstacles in achieving objectives and targets,
- Enable supervisors and employees to deal with performance-related problems,
- Identify and provide the support needed,
- Modify objectives and targets, and
- Ensure continuous learning and development.





## 8.2 Categories of performance and rating scale

The following **5 categories of performance** are used for the purpose of performance rating, review and the annual assessment of employees:

Rating	Category	Description
1	Unacceptable Performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the jobholder has achieved less than fully effective results against almost all of the performance criteria and indicators as specified in the Performance Agreement and Workplan.
2	Performance not Fully effective	Performance meets some of the standards expected for the job. The review/assessment indicates that the jobholder has achieved less than fully effective results against more than half of the performance criteria and indicators as specified in the Performance Agreement and
3	Performance Fully effective	Performance fully meets the standard expected in all areas of the job. The review / assessment indicates that the jobholder has achieved as a minimum effective results against all of the performance criteria and indicators as specified in the Performance Agreement and Workplan.
4	Performance Significantly Above Expectations	Performance is significantly higher than the standard expected in the job. The review/assessment indicates that the jobholder has achieved better than fully effective results against more than half of the performance criteria and indicators as specified in the Performance
5	Outstanding Performance	Performance far exceeds the standard expected of a jobholder at this level. The review/assessment indicates that the jobholder has achieved better than fully effective results against all of the performance criteria and indicators as specified in the PA and Workplan and maintained this in all areas of responsibility throughout

A five-point rating scale is used. A "3" on the scale – "Fully Effective" – means that the employee's performance fully meets the standard required, and has achieved effective results against all performance criteria. In terms of this approach to performance rating, an employee who is rated as "fully effective" has fully complied with the requirements of the job. On the rating scale this translates to a score of 100%.

A fraction of score is not allowed in the rating, only ratings of 1, 2, 3, 4 or 5 must be used.



### 8.3 Performance review and assessment

8.3.1 Performance **review** meetings are an integral part of the monitoring process. These reviews must take place as often as is practical and/or required by circumstances. The reviews are necessary to motivate and to reveal to the employee areas that need improvement and if required, to modify the work plan.

The employee's supervisor shall monitor the employee's performance on a continuous basis and give the employee feedback on her or his performance.

8.3.2 The performance of an employee's shall be reviewed on a quarterly basis, with the understanding that first and third quarterly reviews may be verbal if the employee's performance is satisfactory. However, a minimum of two formal reviews must take place during the course of the year (one preferably in the middle of the PM&D cycle and the other towards the end of the cycle), linked to the review of the department's or unit's strategic/operational plan.

8.3.3 A formal written performance review shall be conducted half way through the Performance cycle during October each year. This requirement is waived if the employee has been in the service of the Department for less than three months, however the probation reports will still be required. The supervisor and employee shall sign the performance review form.

8.3.4 Should the supervisor, as a result of this review, or at any time during the performance cycle, be of the opinion that the employee's performance is markedly below what is required, the supervisor must complete a formal written performance review. This ensures that the employee is left in no doubt that what she/he has been producing as work outputs is not acceptable and that continuation in this poor standard of performance will affect service delivery and is sure to result in a low performance assessment at the end of the cycle, with its resultant consequences.

8.3.5 A formal written performance annual assessment shall be conducted at the end of the performance cycle before 30 April each year. The **annual assessment** of an employee shall be done between the employee and the immediate supervisor.

**For salary levels 1-12, where the supervisor is not a SMS member, the next in line supervisor at SMS level should ensure consistency and fairness by signing the Performance Assessment form.** A formal written performance assessment shall be conducted at the end of the performance cycle before 30 April each year. The requirement for the completion of a formal annual assessment is waived if the employee has been in the

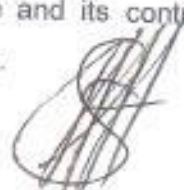




service of the Department for less than three months and is not entitled to either a pay progression or performance bonus. The probation reports will still be required.

The performance cycle is a 12-month period commencing from 1 April to 31 March of the following year. Annual assessment date in all the departments shall be between 1 April and 30 June each year. **Performance incentives must be implemented before 30 June of each year.**

- 8.3.6 The overall performance assessment is to be used as the basis of deciding on career incidents for the employee. The formal performance assessment process can also be utilized to discuss the PA for the coming performance cycle.
- 8.3.7 Performance reviews and assessments should be aligned to the quarterly reporting of the unit against the Departments Annual Performance Plans. Discrepancies between the individual employee's performance and the unit's performance should be explained in writing. For example, where the unit has achieved or exceeded all its targets and the individual employee receives a low rating, or vice versa.
- 8.3.8 The supervisor should prepare feedback sessions by:
- Reviewing the previous period and objectives and targets for the next period
  - Reviewing support needed and drafting training and development needs
  - Seeking appropriate feedback from relevant role-players to support the process
  - Reviewing and updating all relevant documentation, and
  - Identifying internal/external factors affecting the jobholder's performance
- 8.3.9 The employee should prepare feedback session by:
- Reviewing previous objectives and identifying possible new objectives
  - Collecting supporting facts on performance delivered
  - Identifying factors that affected his/her performance
  - Identifying support that will be needed as well as possible development needs, and
  - Reflecting on the feedback to be given to the supervisor
- 8.3.10 At all levels the periodic reviews must also include a discussion on the employee's development plan requirements. The discussion should provide for an opportunity:
- For the employee to assess his/her own performance and its contribution to organizational goals and to identify areas of improvement.



- For the supervisor to provide formal feedback on performance over the year and to identify ways of improving what was achieved.
- For employees to contribute to, and respond to comments regarding their performance and identify issues beyond their control that limit the achievement of results.
- For open discussion between the employee and his/her supervisor in which achievements can be fully recognised and ideas for problem solving agreed.
- For reaching agreement on an overall assessment score reflecting judgement on the level of achievement attained in terms of the performance agreement, and
- For the supervisor and the employee to agree on areas of personal development

8.3.11 Performance reviews and assessments will be based on the following elements:

**Self-assessment**, where the employee whose performance is being assessed:

- Assess his/her own progress according to his/her performance agreement and work plan, during the period under review and allocate performance ratings accordingly
- Bring to his/her manager's attention, significant other outputs that were delivered during this period which are not contained in the performance plan and/or performance which he/she regards as being meritorious
- Provide inputs on areas of performance, which the manager has identified as not being fully effective
- Review his/her performance agreement for validity, and
- Discuss and initiate the amendments to performance agreement or workplan.

**Supervisor's assessment**, the employee's supervisor must:

- Facilitates the assessment session
- Assess the employee's performance according to his/her performance agreement and work plan during the period under review and allocate performance ratings
- Give recognition to the employee for good performance rendered during the review or evaluation period
- Recognise other significant outputs that were delivered during this period which are not contained in the performance plan and/or performance which he/she regards as being meritorious
- Identify performance areas which have been identified as being not fully effective
- Allow the employee opportunity to give his/her input during the session





- Identify remedial steps which will be taken to eliminate factors which have hampered the employee's performance
- Review or evaluate the employee's performance agreement and work plan, for validity
- Discuss and initiate the amendment of the employee's performance plan, if necessary
- Record his/her comment about the performance of the employee, and

#### **Assessment of the KRAs**

- Each KRA must be assessed on the extent to which the specified standards have been met and outputs achieved (in line for unit's Annual Performance Plan) and Work plan.
- An indicative rating on the rating scale must be provided for each KRA.
- This rating must be multiplied by the weighting given to the KRA during the contracting process, to provide a score
- Written substantive motivation must be provided where the final assessment rating is more than a 3.

#### **Assessment of the CMCs or GAFs**

- Each CMC or GAF must be assessed according to the extent to which the specified standards have been met
- An indicative rating on the five-point scale must be provided for each CMC or GAF  
This rating must be multiplied by the weighting given to each CMC or GAF during the contracting process, to provide a score.

#### **Provisional Assessment Rating (PAR)**

An overall score, in accordance with the assessment rating, is provided as a summary of the outcome of the annual performance assessment for KRAs and GAFs. An assessment rating calculator may be used to provide a score based on adding the scores achieved for the KRAs and the GAFs. During this face-to-face session the supervisor and employee must endeavour to reach consensus on the employee's rating as the supervisor should have the best knowledge of the employee's performance.

If there is consensus between the supervisor and employee on the rating, this becomes the Provisional Assessment Rating (PAR). For salary levels 1-12, the employee's supervisor then submits this provisional rating to the next supervisor in line (must be a member of the SMS), who shall interrogate the PAR and if she/he is of the view that the PAR is not a fair reflection of the employee's performance (too low or too high) she/he may request the supervisor to review



the rating score with the employee. The next supervisor in line submits all employee PARs to the Branch Moderating Committee.

If there is disagreement that cannot be resolved between themselves on the scores given, **the employee and supervisor must each note their reasons in writing and attach it to the assessment form before forwarding the form to the Branch Moderating Committee.**

#### **8.3.12 Non-compliance with deadlines set for performance agreements and performance assessments:**

- Employees who are on salary levels 13 and above and who do not submit their performance agreements by the stipulated deadlines in accordance with the Directive from the Minister for Public Service and Administration will not be eligible for pay progression and performance bonuses for the relevant reporting period and must face disciplinary action.
- **Employees on salary level 1-12 who do not submit their performance agreements/assessments in accordance to the policy will not be eligible for pay progression and performance bonuses for the relevant reporting period and must face disciplinary action.**
- Late agreements and assessments will be accepted where employees submitted their agreements or assessments on time to their managers, or where valid reasons existed. Valid reasons exclude any planned absence such as annual leave, out of town duty, overseas trips etc.
- Managers or supervisors who delay timeous submission of agreements and assessments of subordinates may face disciplinary action in the absence of a valid reason for failure to submit on time.

## **9. PERFORMANCE MODERATION**

### **9.1 General Principles**

Performance moderation is important to:

- Ensure, as far as possible, that the performance of all employees is evaluated fairly and consistently across the Department,





- Ensure that performance assessments reflect the performance of the unit / Department in terms of the Annual Performance Plan,
- Align the payment of performance **bonuses within 1.5% of the** Departmental remuneration budget, and
- Award pay progression in line with the **2% of the Departmental wage bill**

The importance of a realistic self-rating coupled with a realistic rating agreed upon between the supervisor and employee is illustrated clearly when moderation occurs. There should be a common understanding of the standards required at each level of the rating scale as well as the unit of measurement and standards that should be linked to posts where similar outputs are required.

Moderating of performance takes place at Branch level and centrally in the Department to contribute to consistent and fair performance management and assessment processes

## 9.2 The Branch and Departmental Moderating Committees

9.2.1 The Branch Moderating Committee comprises of the following:

- Chairperson,
- Three (3) to four (4) members from within the same branch;
- Representative from HR to provide guidance and secretariat;
- Representative from Labour – as an observer

### 9.2.2 The Role of Branch Moderating Committees

The Branch Moderating Committees play a critical role in assessing/moderating the Provisional Assessment Rating of employees. It receives the Provisional Assessment Ratings from the PMDS Unit for validation. In the process the Branch Moderating Committee may agree or disagree with the PAR. In case of disagreement, the PAR must be referred back to the employee's supervisor to try and reach consensus on its view.

If the supervisor cannot convince the employee of a change in the rating, the Branch Moderating Committee rating is forwarded to the Departmental Moderating Committee together with the reasons for its decisions.

9.2.3 The Departmental Moderating Committee (Salary Level 1-12):

- Chairperson (Head of Corporate Services)
- Chairpersons of various Branches
- Representative from HR to provide guidance and secretariat

- Representative from Labour – as an observer

#### 9.2.4 Departmental Moderating Committee (SMS)

- Accounting Officer / Delegated (Chair)
- Head of Human Resources
- Three (3) to four (4) SMS members
- Representative from HR to provide guidance and secretariat
- Representative from Labour – as an observer

#### 9.2.5 The role of Departmental Committee (DMC)

The role of the Departmental Moderating Committee is to ensure that the annual performance assessment is done in a realistic, consistent and fair manner, to monitor the performance assessment process by obtaining an overall sense of whether norms and standards are being applied consistently and realistically to employees on the same level. The DMC should not assess each individual case for purposes of evaluating ratings, but should develop an overall view of the results of process.

**If the DMC identifies deviations or discrepancies, these should be referred back to Branch Moderating Committee and supervisors who had agreed to the ratings with their subordinates, together with reasons for the decision. This should be accompanied by a request for reconsideration of the rating.**

Unless it is an overall assessment score adjustment that alters the assessment scores of all employees (as a group) by the same quantum, **the DMC may not change an individual employee's assessment rating**, without first referring the issue back to the Branch Moderating Committee and the supervisor who made the initial assessment. The DMC must keep detailed minutes of decisions, in particular if it recommends lowering rating scores.

#### 9.2.6 Disagreements over rating and assessment

Agreement between an employee and her/his supervisor, and/or with the Moderating Committee, on an issue such as rating, is not always guaranteed. If the requirements of the system are met for regular consultation and discussion between the supervisor and the employee, there should normally be little cause for continued disagreement.

However, disagreement may occur (a) between the employee and her/his supervisor; (b) between an employee and her/his supervisor on the one hand, and the Branch Moderating Committee; (c) between the Branch Moderating Committee and the Departmental



Moderating Committee; and even between the Departmental Moderating Committee and the Accounting Officer.

If there are fundamental disagreements between the Branch Moderating Committee and the Departmental Moderating Committee, or if the Departmental Moderating Committee wishes to amend rating submitted by the Branch Moderating Committee, or if the Accounting Officer does not wish to approve recommendations of the Departmental Moderating Committee, such issues should be resolved at management level after consultation with relevant managers. If this process results in changes to individual assessment scores, and employees refuse to accept the changes, employees may follow the formal grievance rules of the Public Service.

**9.2.7 The role of the Moderating Committees are therefore to:**

- Provide oversight of the PMDS, especially ensuring that the process for setting performance standards in the PAs is valid, fair and objective
- Recommend on financial and non-financial rewards, including the specific percentage for performance bonuses
- Detect potential problems in the system and advise the PMDS unit accordingly
- Review overall assessment scores across branches to ensure consistency across the department and alignment to the overall performance of the Department.
- Recommend reward levels and remedial action for performance and non- performance, respectively, and
- Make recommendations regarding actions to be considered where supervisors do not properly and fairly execute their responsibilities with regard to the annual assessment process in terms of the PMDS.

## **10. OUTCOMES OF PERFORMANCE ASSESSMENT**

### **10.1 Probation**

10.1.1 The performance of employees on probation is managed in terms of the following PMDS process:

- The PMDS as a tool will be used to assess an employee during the period of his/her probation.
- The performance assessment of employees on probation must be conducted in writing on a quarterly basis and must be linked with the PMDS.
- The performance assessment form must be submitted to the Human Resource unit immediately following the assessment.



- At the expiry of the probationary period, the supervisor of the probationer must make a recommendation on whether or not appointment should be confirmed. If the probationer is not deemed suitable for the relevant post, other options such as the extension of probation, formal registration on the incapacity program or as a last resort, dismissal, should be considered.

10.1.2 An employee's probationary period is linked to the appointment / transfer/ promotions date and will therefore not necessarily coincide with the 1 April to 31 March cycle. However the PMDS rating tool must be used for assessment and the results captured in the quarterly assessment form.

## 10.2 **Managing Performance that is not fully effective**

10.2.1 Supervisors are required to first identify and then, in line with a developmental approach, deal with unacceptable performance of employees under their supervision. The supervisor must comply with procedural requirements of PSCBC Resolution 10 of 1999 and PSCBC Resolution 1 of 2003 – "Incapacity Code". The purpose of this Code is, among other things, to assist the supervisor and employee to:

- Share a common understanding of unsatisfactory performance and incapacity
- Avert and overcome unsatisfactory performance, and
- Provide reasonable assistance to employees who are incapable of performing in accordance with the needs of their jobs.

10.2.2 If a supervisor is of the view that an employee is not performing in accordance with the requirements of the job, the supervisor must meet with the employee and:

- Explain the requirements, grade, skills and nature of the job
- Evaluate the employee's performance in relation to the requirements of the job
- Provide written reasons for the perceived poor performance; and provide an opportunity to the employee to motivate whether he/she has performed in accordance with the requirements of the job, and what the reasons may be

10.2.3 The PMDS provides for the early identification and resolution of unacceptable performance. Interventions by the supervisor to overcome performance shortfalls on the part of the employee can include any or all of the following:

- Personal counseling
- On-the-job mentoring and coaching
- Formal training/re-training





- Restating the work plan performance requirements
- Work environment audits to establish other factors affecting performance

10.2.4 Should the employee not respond to reasonable and continuous attempts to improve performance and an overall performance assessment score of less than 100% (unacceptable and not fully effective performance) is consistently the result of the assessment process, further steps against the employee should be considered in terms of the Incapacity Code and the employee must be informed of this in writing.

### 10.3 Rewarding of Individual Performance

Employees shall qualify for performance incentives based on **two (2) quarterly assessments** with the exception of employees who are on maternity leave, sick leave, disability leave or extended sick leave, long study leave, temporary leave longer than 30 days, unpaid leave and absence through suspension. In this case the granting of performance incentives shall be based on the average of at least two (2) quarterly (one mid yearly and annual assessment) assessments of the same PMDS cycle.

#### 10.3.1 Pay Progression

10.3.1.1 Employees are eligible for pay progression to the maximum notch of the salary level attached to their posts. Progression to the next higher notch within the employee's salary level shall be based on a period of continuous service and performance.

10.3.1.2 An employee must complete a continuous period of at least 12 months on her or his notch (1 April to 31 March) and must be performing at least at the level of fully effective (satisfactory performance), as assessed in terms of the PMDS. The pay progression cycle (and the assessment cycle) runs over a continuous period of 12 months, commencing on 1 April of a particular year. The date on which pay progression is effected for each year is **01 July for salary levels 1-12.**

10.3.1.3 With effect from 1 July 2012, the qualifying period for pay progression for **First (1st) time participants** is twenty-four (24) months. The pay progression cycle for employees other than 1st time participants (i.e. employees who were in service before 1 July 2012) is not amended and remains twelve (12) months.

**The pay progression cycle for first time participants does not affect employees' probation periods.**





10.3.1.4 Only valid notches on the salary level must be used in the process of progression.

Employees on personal notches (therefore on a notch above the maximum of the salary level attached to his or her post), shall not qualify for pay progression, but shall receive any annual salary adjustments on the salary scale. The employees may also qualify for the performance bonus. The pay progression system does not stop the Executing Authority to award a higher salary to employees in terms of the PSR (Chapter 1 Part V/C3).

Therefore –

- Employees, who are awarded a higher salary level by the Executing Authority or delegated authority, that does not correlate to the job weight attached to their job, shall not qualify for pay progression on the higher salary level, and
- Employees, who are awarded a higher notch within the salary level, which correlates to the job weight attached to their job, shall qualify for pay progression, provided they comply with the set criteria.

10.3.1.5 Employees who receive pay progression for a financial year will receive this in addition to the annual cost-of-living adjustment, and may also qualify for a performance bonus during the same financial year.

10.3.1.6 Grade / salary levels progression will be implemented in-line with the Incentive Policy Framework.

**Departments shall ensure that the cost of awarding pay progression in terms of this policy will not exceed 2% of the specific Department's wage bill for any given financial year.**

## 10.3.2 Performance Bonus

10.3.2.1 The ceiling and ranges for awarding performance bonuses are indicated in the summary table below, paragraph 10.7. **The Department should not spend more than 1.5% of its annual remuneration budget for employees on levels 1 - 12 on performance incentives.** The same applies to SMS members.

10.3.2.2 Should the 1.5% of the Department's remuneration budget prove to be insufficient to award the maximum percentage cash bonuses, the Departmental Moderating Committee **may scale down the applicable percentages by allocating a lower percentage to qualifying employees to ensure that the Department stays within the 1.5% limit.** The percentage recommended upon by the Committee should be applicable to all employees in consultation with Labour.



10.3.2.3 A performance bonus is a financial award granted to an employee in recognition of sustained performance that is significantly above expectations and is rated as such in terms of the rating scale. In order to qualify for the granting of a bonus, an employee must complete a continuous period of at least twelve months on her/his salary level on 31 March of a year. The cycle for the granting of a bonus runs over a continuous period of 12 months from 1 April of one year to 31 March of the next year.

10.3.2.4 The value of a bonus is calculated on the employee's actual notch (levels 1 – 10) or remuneration package (levels 11-12 and SMS), but not exceeding the maximum notch of the scale attached to the post.

### 10.3.3 Non-Financial Incentives

10.3.3.1 Financial rewards on their own are not always sufficient to motivate staff towards performance excellence. Other ways for recognising performance should also be utilised, i.e. where the award does not directly lead to "money in the pocket".

10.3.3.2 The Department may, from time-to-time, at the discretion of the Accounting Officer introduce mechanisms for non-financial recognition to stimulate performance across the Department. However, managers may also propose forms of non-financial recognition, provided these remain non-financial, fit into the budget and do not change any basic condition of employment. Cognisance should be taken that the non-financial rewards are not linked to a financial year. The following are examples of recognition that can be considered:

- Acknowledgement and recognition of performance excellence i.e. in the office publications; specially created awards and certificates; citations at conferences or meetings; attendance at conferences etc.
- Increased autonomy to organize own work and/or increased resources with which to perform work
- Public awards of various kinds made by management in recognition of a specific achievement or innovation or for consistent achievement over a specific period
- Specific access to specialised training and development opportunities.

## 10.4 Suggestions, Improvements and Innovations

If an employee makes a suggestion, improvement or invention of exceptional value to the Department or the Public Service as a whole:

- (a) The State has the right to use any such suggestion, improvement or invention, and
- (b) The Accounting Officer may reward the employee through any non-financial reward or a non-pensionable cash award not exceeding 20% of the employee's



pensionable annual salary or, with the Accounting Officer's approval, a non-pensionable cash award in excess of 20% of the employee's annual salary, or such a non-financial reward as well as such a cash award.

## 10.5 Summary Table

Rating	Performance Category	Total Score	Probation	Development	Pay Progr.*	Cash bonus
1	Unacceptable performance	69% and lower	Extend probation or terminate i.t.o incapacity code	Agree on development programme		
2	Performance not fully effective	70% - 99%	Extend probation	Agree on development programme		
3	Performance fully effective and above	100%-114%	Confirm appointment	Agree on development opportunities	1 notch	
4	Performance significantly above expectations	115%-129% 130%-149%	Confirm appointment	Agree on development opportunities	2 notches (Limited to 10% of eligible employees)	1-10: 9-12% 11-12: 7-9% SMS: 5-9%
5	Outstanding Performance	150%-167%	Confirm appointment	Agree on development opportunities	3 notches (Limited to 5% of eligible employees)	1-10: 13-18% 11-12: 10-14% SMS: 10-14%





11. **APPROVAL AND REVISION**

11.1. **INCEPTION DATE**

The inception date for this policy will be within 30 days after the approval by the Executive Authority.

11.2 **DEFAULT**

Any deviations from this policy or decisions on matters not covered herein must receive the prior approval in writing from the **Executive Authority**.

12 **TERMINATION AND REVIEW CONDITIONS**

12.1 This Policy is subject to review when required due to changes in legislation and regulations or when deemed necessary to ensure that it is aligned to prevailing resolutions, regulations and market conditions.

12.2 No amendments may be made to any section of this Policy without such amendments first being discussed in the **CCPLP** and approved and signed by the **Executive Authority**.

A handwritten signature in black ink, appearing to read 'M. Habatho', is written over a horizontal line.

**PREMIER**

Date: 14 APRIL 2015

## **GLOSSARY OF TERMS**

### **ANNEXURE A: DEFINITIONS**

**Assessment instrument:** A single performance assessment tool that is used to assess the performance of an individual employee in relation to the achievement of key result areas and core management criteria or generic assessment factors as contained in the work plan of the performance agreement.

**Attribute:** An attribute (as part of a competency) is generally defined to consist of motives, traits and self- concept.

**Annual Performance Plan:** A one-year plan derived from and giving life to the strategic plan by translating the strategic objectives identified in the strategic plan into key result areas and activities with measurable standards, for a particular year for the Department, Branches, Chief Directorates and Directorates.

**Business plans:** See operational plan(s)

**Competence:** Competence relates to an employee's capacity to meet the job requirements (job competence).

**Competency:** A competency is a particular mix of knowledge, skills and attributes required to effectively perform a job/task/role.

**Branch:** A business unit composed of components.

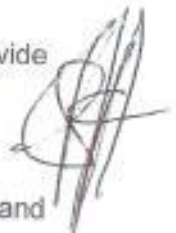
**Branch Assessment Panel:** A panel headed by the Branch Head and further composed of all the Directors and higher ranks in the Branch for the purpose of assessing/moderating each employee's provisional assessment rating.

**Confirmed Assessment Rating (CAR):** The assessment score for an employee that has been confirmed by the Departmental Moderating Committee.

**Core Management Criteria (CMC):** An element of knowledge, skill, or attribute that is directly related to effective performance in a job (applicable to SMS members).

**Customers:** People internal or external to the department with whom employees interact to provide a service.

**Development:** Training and development activities to enhance the employee's competencies and to improve performance.



**Executive Authority:** means the executing authority as defined in section 1(1) of the Public Service Act.

**Feedback:** Objective and timely information by the Manager/Supervisor on the employee's performance against set expectations and standards, understood by the employee, and aimed at improving performance.

**Generic Assessment Factor:** An element used to describe and assess aspects of performance, taking into consideration knowledge, skills and attributes.

**HR Unit:** Unless otherwise indicated, refer to the Sub-Directorate: Human Resources. The Head of Human Resources is the Deputy Director of the HR Unit.

**Key Result Area (KRA):** An area of a job in which performance is critical for making an effective contribution to the achievement of departmental strategies, goals and objectives.

**Moderation:** The review of employee assessment scores by a committee to ensure consistency and equity across the department through a common understanding of the performance standard required at each level of the rating scale.

**Outcome:** A broad statement about a specific objective, aim or intent, the achievement of which will require one or more specific outputs to be achieved.

**Output:** A concrete result or achievement (i.e. a product, action or service) that contributes to the achievement of a key result area.

**Performance:** Human performance involves (1) people's behaviour/actions and (2) the outcomes/effects of those actions. Performance is a process in which resources are used in an effective, efficient and productive way to produce results that satisfy requirements of time, quality and quantity, and which are the effect/outcome of the actions/behaviour of a performer in the work process.

**Performance agreement:** A document agreed upon and signed by an employee and her/his supervisor, which includes a description of the job, selected KRAs and GAFs, a work plan and the employee's personal development plan.

**Performance appraisal/assessment:** The measurement, assessment, rating or appraisal of employee performance. The formal annual process is usually referred to as performance appraisal or assessment, while more informal processes are referred to as performance review.





**Performance cycle:** A 12-month period for which performance is planned, managed and assessed. It must be aligned to the same period as the Department's annual business plan i.e. 1st April to 31st March of the following year.

**Performance incentives:** A set of (a) financial rewards linked to the results of performance appraisal, including pay progression, performance bonus, and (b) a variety of non-financial rewards that may be contained in the departmental performance incentive scheme.

**Performance indicator:** A measure used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).

**Performance management:** A purposeful, continuous process aimed at positively influencing employee behaviour for the achievement of the Department's strategic goals; the determination of the correct activities as well as the evaluation and recognition of the execution of tasks/duties with the aim of enhancing their efficiency and effectiveness; and a means of improving results from the Department, teams and individuals by understanding and managing performance within an agreed framework of planned goals, objectives, standards and incentives.

**Performance management system:** An authoritative framework for managing employee performance, which includes the policy framework as well as the framework relating to all aspects and elements in the performance cycle, including performance planning and agreement; performance monitoring, review and control; performance appraisal and moderating; and managing the outcomes of appraisal.

**Performance standard:** Mutually agreed criteria to describe work in terms of time-lines, cost and quantity and/or quality to clarify the outputs and related activities of a job by describing what the required result should be. In this framework, performance standards are divided into indicators and the time factor.

**Performance review:** A structured and formal, at least half-yearly, discussion between supervisor and employee to monitor progress, resolve problems and adjust work plans during the performance cycle, thereby providing an opportunity for improvement before the annual review takes place. If the employee's performance is not fully effective or unsatisfactory, the half-yearly review must be in writing.

**Personal development plan (PDP):** A requirement of the performance agreement whereby the important competency and other developmental needs of the employee are documented, together with the means by which these needs are to be satisfied and which includes time lines and accountabilities.

**Provisional assessment rating (PAR):** An employee's total assessment rating score that has been agreed upon between the employee and her/his supervisor.



**Rating:** The allocation of a score to a KRA, a GAF and/or to overall performance in accordance with the five- point rating scale of the PMDS.

**Senior Management Service (SMS):** Employees on salary levels 13 to 16, including managers and professionals.

**Strategic plan:** The end product of strategic planning, setting out the mission and vision statements and the medium and long-term strategic objectives of the Department. The contents of the strategic plan must be in compliance with the requirements of Chapter 5 of the Treasury Regulations, 2001, and Chapter 1 Part III.B of the Public Service Regulations, 2001.

**Strategic planning:** This is the process by which top management determines the overall strategic direction and priorities, as well as the organizational purpose and objectives and how they are to be achieved.

**Supervisor:** An employee responsible for the allocation of work, monitoring of activities, discussing performance and development, and the half-yearly performance review and annual performance rating of another employee.

**Work plan:** A document which is part of the performance agreement and which contains key result areas, associated outputs/activities and their performance standards and resource requirements.

**Weight:** With reference to the inclusion and assessment of KRAs and GAFs in the performance agreement/work plan, each of the KRAs and GAFs is allocated a weight or percentage, which indicates the relative importance or impact of the specific KRA or GAF in comparison to the others selected in the performance agreement, and the combined weights should add up to 100%.

