



**PERFORMANCE MANAGEMENT AND  
DEVELOPMENT SYSTEMS POLICY  
LEVELS 1-12 & MEMBERS OF SMS**

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## Definitions

| Term  | Definition  |
|---|---|
| Accelerated grade progression for non-OSD employees                   | Means progression from a lower grade (salary level) to the next higher grade (salary level) linked to the job weight of a specific post after 12 years' service on the lower salary level, based on at least above satisfactory performance for a cumulative, and not necessary successive, period of 12 years.   |
| Assessment cycle  | The dates for individual Performance Management assessment.   |
| Continuous service  | Means uninterrupted years of completed service on a specific salary level.  |
| First (1 <sup>st</sup> ) time participant                             | Means a new appointee to the Public Service in a production or supervisory/managerial OSD or non-OSD post – therefore excludes OSD and non-OSD employees appointed in training or community service posts (Apprentice), Medical Officer (Intern Medical), Pupil Nurse, Medical Officer (Community Service). Those OSD and non-OSD employees appointed in training or community service posts, and who complete the requirements for appointment in a production or supervisory/managerial post, are for purposes of pay progression policy regarded as a First (1 <sup>st</sup> ) time participant in the production or supervisory/managerial post. It includes employees who have previously resigned from the public service and who are re-appointed in the public service. |
| Generic Assessment Factor   | An element used to describe and assess performance, taking into consideration knowledge, skills and attributes  |
| Grade progression and accelerated grade progression for OSD employees | Means progression from a lower grade (salary scale) to the next higher grade (salary scale) attached to an OSD post, based on the specific requirements for grade progression and accelerated grade progression in the OSD post, as contained in the relevant OSD.  |
| Grade progression for non-OSD employees                               | Means progression from a lower grade (salary level) to the next higher grade (salary level) linked to the job weight of a specific post after 15 years' service on the lower salary level, based on the prescribed level of least satisfactory performance  |
| Grade progression and accelerated grade progression for OSD employees | Means progression from a lower grade (salary scale) to the next higher grade (salary scale) attached to an OSD post, based on the specific requirements for grade progression and accelerated grade progression in the OSD post, as contained in the relevant OSD.  |
| Grade Progression Model   | The Model contained in PSCBC Resolution 3 of 2009, which is applicable to Non-OSD employees on salary levels 1 to 12.   |
| Key performance areas   | End results of what we need to deliver within a financial year  |
| Operational plan  | Operational plan of action developed for a period of one year.  |
| Output  | A concrete achievement that contributes to the achievement of a longer-term outcome or goal.  |
| Pay progression   | Progression to a higher notch within the same salary level/scale, limited to the awarding of 3 notches per pay progression cycle for non-OSD employees and the number of notches provided for in the respective OSD for OSD employees.  |

| Term                                       | Definition  |
|--|---|
| Pay progression cycle                      | A continuous period of 24 months, running from 1 April to 31 March of the year following the next year, for 1st time participants and 12 months, running from 1 April to 31 March of the next year, for employees other than 1st time participants.   |
| Performance agreement/Performance contract | Links individual performance plan to the organizational goals and an analysis of what will be required to achieve effective performance.  |
| Performance Review                         | A progress review is a structured and formal process in which the staff member receives feedback on his/her performance, thereby providing an opportunity for improvement before the annual review takes place. It also provides an opportunity for the written amendment of Performance Management agreements.   |
| Performance plans                          | Performance plans contain the essence of the performance management agreements, i.e. the performance agreements, workplan agreements and standards framework agreements.  |
| Personal development plan (PDP)            | A personal development plan outlines the areas in which improved levels of competence are required, and a process for ensuring the improvement.   |
| Performance Management cycle               | The Performance Management cycle describes the three phases through which the Performance Management (PM) moves – planning and contracting, performance review and annual performance assessment. It should coincide with the financial year – 1 April to 31 March.   |
| Performance Management framework           | The Performance Management framework describes the various components of the Performance Management system and includes mechanisms for linking departmental plans to provincial strategic goals, and individual performance plans to departmental plans.  |
| Rating scale                               | The rating scale is a standard scale for rating employees' performance in relation to specific categories of performance. These are often used to introduce a degree of comparability into systems for performance assessment.  |
| Remuneration Bill                          | Means all personnel expenditure; therefore includes salaries (basic and total packages), employer's contribution to the GEPP, medical aid contributions, service bonuses, home owners allowances as well as other allowances for which employees may qualify (e.g. danger allowances, allowances payable to employees serving Executing Authorities) – in other words the total remuneration budget for the financial year. |
| Standards framework agreement (SFA)        | An SFA reflects the linking of an individual standards framework to the unit and organizational goals and an analysis of what will be required to achieve effective performance. It is used to assess the performance of professional staff and those involved in routine or process-oriented work.   |
| Strategic goals                            | Strategic goals are the outcomes or concrete positive results that the province as a whole wishes to achieve.   |
| Strategic objectives                       | Strategic objectives are statements that concretely and specifically describe results to be achieved and serve as a basis for clarifying intentions, for planning, for guiding activity, and for assessing achievement.   |
| Targets                                    | Targets are agreed upon quantitative or qualitative amounts that support  |

| Term               | Definition  |
|--------------------|---|
|                    | performance indicators in describing the optimal level of performance required.   |
| Vision             | Vision refers to the long term impact desired by an organization.   |
| Wage Bill          | For purpose of pay progression, consists of the combined total of the employees' salary notches, the employer's contribution to the GEPF and service bonuses (for total cost to employer package employees this refers to the total package).   |
| Workplan agreement | A workplan agreement reflects the linking of an individual workplan to the organizational goals and an analysis of what will be required to achieve effective performance. It is usually used for staff that may have staff management responsibility with limited budgetary control, or project related tasks. |

**Acronyms**

| Term  | Definition                                      |
|-------|---|
| CMC   | Core Management Criteria                        |
| DPSA  | Department of Public Service and Administration |
| PMDS  | Performance Management and Development System   |
| GAF   | Generic Assessment Factor                       |
| HoD   | Head of Department                              |
| HR    | Human Resources                                 |
| HRM   | Human Resource Management                       |
| KPA   | Key Performance Area                            |
| LRA   | Labor Relations Act, 1995                       |
| MMS   | Middle Management Service                       |
| PA    | Performance Agreement                           |
| PC    | Performance Contract                            |
| PFMA  | Public Finance Management Act, 1999             |
| PM    | Performance Management                          |
| PMC   | Performance Management Committee                |
| PSA   | Public Service Act, 1994                        |
| PSCBC | Public Service Coordinating Bargaining Council  |
| PSR   | Public Service Regulations, 2001                |
| SFA   | Standards Framework Agreement                   |
| SMS   | Senior Management Service                       |
| TR    | Treasury Regulations, 2001                      |
| WSP   | Workplace Skills Plan                           |
| WPA   | Workplan Agreement                              |
| EA    | Executive Authority                             |
| MC    | Moderating Committee                            |
| OSD   | Occupational Specific Dispensation              |

|     |                                   |
|-----|-----------------------------------|
| IRC | Intermediate Review Committee     |
| DMC | Departmental Moderation Committee |
| PAR | Provisional Assessment Rating     |
| VAR | Validated Assessment Rating       |
| CAR | Confirmed Assessment Rating       |



## LEGISLATIVE FRAMEWORK

- 3.1 This policy is compliant with the legislative framework that governs performance management at all levels in the public service. This framework includes Acts of Parliament, White Papers, Regulations and Collective Agreements. The guidelines included in this policy have been sourced from the following:
- 3.2 Specific sources of authority for various elements of performance management framework expounded in this policy are as follows:
- I. The Constitution of the Republic of South Africa, 1996
  - II. The Public Service Act, 1994, as amended
  - III. The Public Service Regulations, as amended 2016
  - IV. The Skills Development Act 97 of 1998
  - V. The Labour Relations Act 66 of 1995
  - VI. Basic Conditions of Employment Act of 1997
  - VII. Employment Equity Act of 1998
  - VIII. Public Finance Management Act 1 of 1999
  - IX. Promotion of Administrative Justice Act 2 of 2000
  - X. White Paper on Human Resource Management, 1997
  - XI. White Paper on Affirmative Action, 1998
  - XII. White Paper on Transforming Public Service Delivery (Batho Pele), 1997
  - XIII. White Paper on Public Service Training and Education, 1998
  - XIV. Treasury Regulations, 2001
  - XV. PSCBC Resolution 13 of 1998 (performance agreements)
  - XVI. PSCBC Resolution 3 of 1999 (performance related financial rewards and incentives)
  - XVII. PSCBC Resolution 7 of 2000 (rank/leg promotions & pay progression system)
  - XVIII. PSCBC Resolution 9 of 2000 (performance agreements, SMS)
  - XIX. PSCBC Resolution 2 of 1999 (disciplinary code)
  - XX. PSCBC Resolution 10 of 1999 (incapacity code)



## 1. PREAMBLE

The Public Service Act 1994 provides a regulatory framework for performance management and development systems to ensure that all public servants develop performance agreements and workplans linked to the delivery of government-wide outputs, outcomes and impacts. This system must be implemented, monitored and evaluated on an annual basis.

In terms of regulation (71)(1) of the PSR, Executive Authorities (EAs) are expected to approve and implement a PMDS policy for employees other than employees who are members of the SMS. The performance management cycle is linked to a financial year therefore, the PMDS policy should be approved by an EA prior to the performance cycle for which the system is to be implemented. The EA may establish separate performance management systems for different occupational categories or levels of work.

The Department of Social Development Policy therefore is developed to align with the Public Service Act and its regulations including the social sector Occupational Dispensation framework. This policy includes the guidelines for the management of performance for Senior Management contained in the SMS Handbook with the aim to create synergy in institutionalising the performance management and development. This policy has been designed to address shortcomings within the Department in relation to contracting, performance reviews and assessments, linking of performance agreements and workplans to the broader strategy and outcomes.

The Performance Management and Development System of the Eastern Cape Provincial Social Development has been designed as a system to assist with performance management on all salary levels, which is inclusive of employees covered by an occupational specific dispensation and elementary occupations in the Departments.

The goal of this policy is to provide guidelines on planning, managing and improving employee performance. The aim of performance management is to optimize every employee's output in terms of quality and quantity, thereby improving the Department's overall performance and service delivery.

## 2. PURPOSE

The primary purpose of this policy is to provide policy measures and practical guidelines for the improvement of departmental and individual performance and service delivery and to ensure compliance with Chapter 1 Part VIII of the Public Service Regulations, 2016 as amended.

## 3. OBJECTIVES

This policy seeks to maximise individual excellence and achievement. The objectives of this policy in relation to performance management are therefore as follows:

- (a) Provide a systematic framework for performance planning, performance monitoring and review and performance appraisal.
- (b) Establish a performance and learning culture in the department;
- (c) Improve service delivery;
- (d) Promote a shared sense of responsibility amongst staff for the achievement of strategic goals and objectives.
- (e) Align employee's performance to the departmental strategic and operational goals.
- (f) Promote a culture of transparency and participation through open dialogue about goals and the achievement thereof, personal development, and performance improvement.

- (g) Provide a framework of assessment for identifying good and poor performance and to act appropriately through development and the recognition and rewarding of good performance;
- (h) Recognise categories of performance that are fully effective and better;
- (i) Manage categories of performance that are not fully effective and lower;
- (j) Encourage managers to effectively create conditions for staff to perform optimally;
- (k) Ensure that all jobholders know and understand what is expected of them;
- (l) Promote interaction on performance between jobholders and their supervisors;
- (m) Identify, manage and promote jobholders' development needs;
- (n) Evaluate performance fairly and objectively.

#### **4. SCOPE OF APPLICABILITY**

- 4.1 This policy applies to all employees of the Eastern Cape Provincial Social Development Department. It is inclusive of employees covered by an occupational specific dispensation appointed in terms of the Public Service Act, 1994.
- 4.2 This policy also incorporates essential principles of the SMS PMDS (regulated in terms of Chapter 4 of the SMS Handbook) and should therefore be linked and interrelated.

#### **5. PRINCIPLES AND VALUES OF PERFORMANCE MANAGEMENT**

The key principles underpinning effective performance management are outlined in the PSR Chapter 1 Part VIII. These principles are the following -

- (a) Departments shall manage performance in a consultative, supportive and non-discriminatory manner to enhance organizational efficiency and effectiveness, accountability for the use of resources and the achievement of results
  - (b) Performance management processes shall link to broad and consistent staff development plans and align with the department's strategic goals
  - (c) Performance management processes shall be developmental, and shall allow for recognizing fully effective performance, and for an effective response to performance that is consistently not fully effective and lower
  - (d) Performance management procedures must minimize the administrative burden on supervisors while maintaining transparency and administrative justice
- 5.1.1 The primary orientation of performance management is developmental but must allow for an effective response to consistent inadequate performance and for recognizing outstanding performance.
  - 5.2.2 The system shall focus on equal participation in performance management by the supervisor and the employee.  
  
The system shall be developmentally oriented, encourages coaching, regular feedback through progress reviews and annual appraisals, in order to effectively and efficiently deliver on a Department's strategic goals and the Provincial Government priorities.
  - 5.2.3 The PMDS shall be uniformly implemented across the department and shall apply to all employees.

- 5.2.4 The integration of provincial policies and departmental plans must form the basis upon which the PMDS is designed, implemented and managed.
- 5.2.5 The PMDS allows each member of staff to align his/her deliverables and/or activities with the departmental and provincial goals and strategies
- 5.2.6 The tools built into the annual performance management cycle must allow for transparency, accountability, fairness, equity and realignment of departmental, team and individual plans to provincial goals.
- 5.2.7 The PMDS must provides clarity to all employees on their role in the achievement of departmental and provincial goals.

## 6. POLICY STATEMENT

- 6.1.1 The Department of Social Development commits to a performance management system that entails a process of harnessing all available resources (human and material) within an organization and ensuring that these perform to the maximum, in order to achieve the desired results. Performance management therefore shall involve building processes, systems, culture and relationships that facilitate the achievement of organizational objectives; it is therefore aimed at both individual and organizational performance.
- 6.1.2 The Public Service Regulations, 2016, as amended, requires Departments to develop a performance management system in order to manage performance in a consultative, supportive and non-discriminatory manner. This should result in enhanced organizational efficiency and effectiveness, accountability for the use of resources and the achievement of results

## 7. POLICY PROVISIONS

### 7.1 Non-negotiable elements of the policy

In line with the Provincial Policy, the success of the PMDS in this department is dependent on the following non-negotiables outlined as mandatory elements hereafter:

| No    | Mandatory elements   |
|-------|--|
| 7.1.1 | All Eastern Cape Provincial Social Development employees shall use the Eastern Cape Provincial Social Development Performance Management and Development Policy, which is aligned to the Eastern Cape Provincial Administration (ECPA) Performance Management and Development System (PMDS) policy, as the overriding document to manage performance of all staff. |
| 7.1.2 | Annual Performance Agreements shall be used as an agreement for capturing and measuring performance against outputs. The annual performance agreement will form the basis for performance incentives such as pay progression and bonuses for employees meeting the documented outputs.   |
| 7.1.3 | All employees shall complete Performance Agreements within <b>three (3) months</b> of assuming a new position. In respect of SMS members, the provisions of the SMS Handbook, Chapter 4, will apply.   |
| 7.1.4 | Format of Performance Agreements must be used as per the prescribed templates in the Eastern Cape Provincial Social Development PMDS policy and no customize templates will be allowed.  |
| 7.1.5 | The Annual Performance Agreements shall be based on the Departmental Strategic and Annual  |

| No     | Mandatory elements  |
|--------|---|
|        | Performance Plans (APP's) and Operational Plans in a cascading manner to align resources with performance targets for a particular performance cycle.   |
| 7.1.6  | Performance of an employee shall be reviewed on a half yearly basis every six (6) months for both semesters of a performance cycle which must be accompanied with quarterly portfolio of evidence (reports, letters, invitations, memo's, attendance registers, meeting minutes, any other tangible evidence) to track performance against targets and identify developmental needs.  |
| 7.1.7  | One standard assessment instrument will be used which includes the electronic calculator on which to base decisions for probation, rewards, promotion and skills development  |
| 7.1.8  | All employees must have a Personal Development Plan aligned to the skills needed by an employee to perform his/her duties to be included as part of the performance agreement which must be cascaded into the departmental workplace skills plan for implementation every financial year.   |
| 7.1.9  | Criteria upon which the performance of employees must be assessed shall consist of Key Result Area (KRAs) with consideration of the selected Generic Assessment Factors (GAFs). In respect of SMS members, the 80:20 principle will apply for Key Performance Areas (KPA's) and the Core Management Criteria.   |
| 7.1.10 | <p>The Performance Contract shall address, at minimum, the following:</p> <ol style="list-style-type: none"> <li>a. Personal particulars of the employee</li> <li>b. Description of the purpose of the Key Results Areas (KRAs)</li> <li>c. Identification of the KRAs, their weighting and the standards for measuring them</li> <li>d. Agreement on which GAFs are relevant</li> <li>e. Agreement of the Personal Development Plans (PDP's)</li> <li>f. Dates of performance review's and formal performance assessments of the employee's performance for all four quarters</li> <li>g. Dispute Resolution Mechanisms</li> </ol> |
| 7.1.11 | The dates for consideration of performance related rewards shall be as per the PMDS policy as per elements 7.1.27, 7.1.28 and 7.1.29 of this policy.  |
| 7.1.12 | All employees are eligible for cost of living adjustments as per the basic conditions of employment   |
| 7.1.13 | Departments shall use a standard rating scale (level 1 to 4) when assessing performance   |
| 7.1.14 | All employees are eligible to be considered for performance related pay increase (package, progression) on an annual basis provided that their performance is evaluated to be fully effective as per elements 7.1.28, 7.1.29 and 7.1.30 of this policy  |
| 7.1.15 | Performance rewards may only be awarded to employees who have completed an assessment period of 12 months from 1 April to 31 March.   |
| 7.1.16 | The Department may not spend more than 1.5% of their total remuneration budget on performance rewards (bonuses)   |
| 7.1.17 | The Department must develop an annual Performance Management Plan aligned to the process plan in Annexure A attached or as directed by the National Treasury or the DPSA from time to time.   |

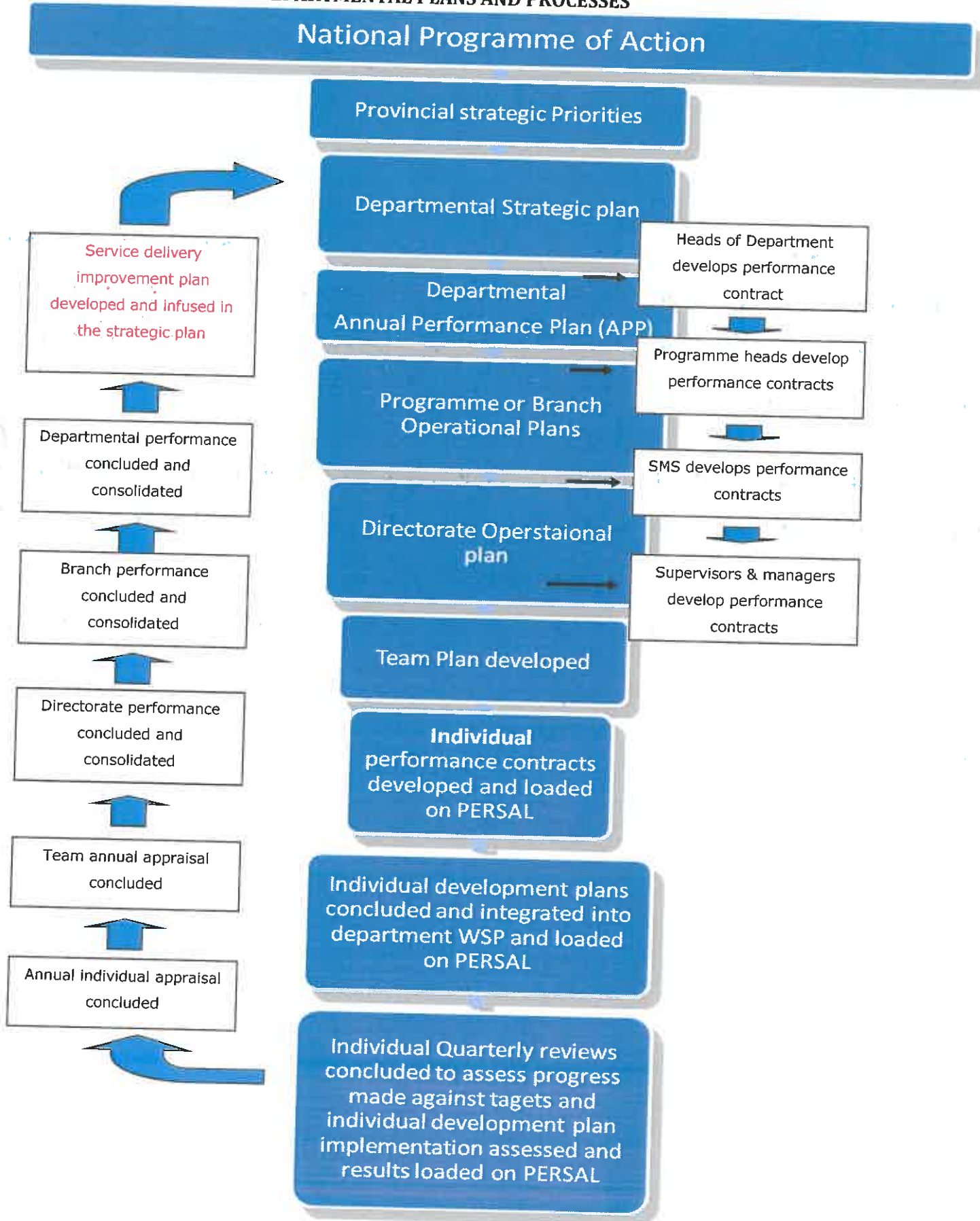
| No     | Mandatory elements   |
|--------|--|
| 7.1.18 | The department shall submit quarterly reports (see Annexure C) to the Office of the Premier (OTP) to assess the policy implementation. HOD's must submit quarterly analytical reports on the implementation of PMDS policy to Executive Council (EXCO) as per the Eastern Cape legal and regulatory Compliance Management and Accountability Framework.  |
| 7.1.19 | The Corporate Services sub-programme shall be responsible for monitoring and reporting to the Head of Department on the implementation of the PMDS policy in the department. Tools such as the Personnel Salary system (PERSAL), monthly PMDS exception report downloads, as per PERSAL Notice number 280, shall be used to report to the Head of Department on the compliance to the PMDS policy.   |
| 7.1.20 | At provincial level, the OTP PMDS transversal team shall be responsible for, and will monitor PMDS policy implementation using the Personnel Salary system (PERSAL) monthly PMDS exception report downloads, as per PERSAL Notice number 280, to report to EXCO on compliance to PMDS policy from a Provincial Administration's perspective.   |
| 7.1.21 | Annual assessments will only be considered when accompanied by a performance contract, personal development plan (PDP), implementation progress reports and 2 (two) six monthly reviews with performance progress reports as portfolio of evidence and will be done once department performance or programme performance has been assessed.  |
| 7.1.22 | Directors and all members of senior management must ensure quality and the alignment of performance contracts with the directorate plans and are expected to validate performance contracts of all employees on the payroll of the respective unit   |
| 7.1.23 | Internal procedures shall be exhausted when disagreements arise during the PMDS policy implementation for employees before the grievance procedure is followed   |
| 7.1.24 | The Head of Department is responsible for successful implementation of PMDS and must therefore report as per the compliance management and assessment framework of the province on the PMDS policy implementation as required.   |
| 7.1.25 | The normal distribution curve as outlined in the PMDS policy must be used by supervisors, managers and PMDS committees as a guide to management of the 1, 5% threshold of the salary bill not to be exceeded.  |
| 7.1.26 | All Eastern Cape Provincial Social Development employees must participate in the <b>implementation</b> of the PMDS Policy.   |
| 7.1.27 | <p>Qualifying criteria for awarding performance incentives and rewards such as bonus is a final annual performance score of 130% and above, and include the following:</p> <ol style="list-style-type: none"> <li>a) All aspects of element 4.4.29 must be adhered to;</li> <li>b) Employees engagement in a 12 months cycle from 1 April to 31<sup>st</sup> March in a financial year</li> <li>c) Employees must be on the same salary level for the performance cycle from 1 April to 31<sup>st</sup> March in a financial year;</li> <li>d) Employees acting in a higher position for the entire performance cycle from 1 April to 31<sup>st</sup> March will be assessed against performance at the acting level, but implementation of incentives will be calculated on the appointment level.</li> <li>e) However, where acting is not for a full financial year, the acting employee will be assessed against at the level of his or her post that he or she occupied at the time immediately prior to the acting position and the awarding of performance incentives, if he / she qualifies, shall be calculated on the lower level.</li> <li>f) Employees salary levels affected by post elevation through JE during performance cycle from 1 April to 31<sup>st</sup> March will not qualify for pay progression and assessment must be</li> </ol> |

| No     | Mandatory elements  |
|--------|---|
|        | <p>based on the previous salary level.</p> <p>g) OSD employees who have been affected by grade progression from 1<sup>st</sup> April till 31 March will not qualify for pay progression within that particular performance cycle</p>  |
| 7.1.28 | <p>The qualifying criteria for awarding pay progression are:</p> <p>(a) Performance is fully effective with a final annual performance score of 100% and or rating of 3 and above;</p> <p>(b) Criteria in element 7.7.29 are fully met.</p>   |
| 7.1.29 | <p><b>Management of the PMDS cycle (Non-negotiable)</b></p> <p>(a) All employees must sign performance agreements/contracts on or before 31<sup>st</sup> May / by the 31<sup>st</sup> of May</p> <p>(b) All performance assessments (appraisals) for the previous performance management cycle should be completed by 30 April annually;</p> <p>(c) Moderation of appraisals for the previous performance management cycle should be completed by 30 June;</p> <p>(d) All employees must submit a complete signed performance agreements/contracts on or before 30<sup>th</sup> June / by the 30<sup>th</sup> June annually for compulsory capturing on PERSAL</p> <p>(e) All employees who fail to submit a complete a signed performance agreement by 30 June will be disqualified from receiving any performance rewards and will be disciplined for policy non-compliance;</p> <p>(f) Heads of Service Offices, Area Offices, Districts Offices and Chief Directorates or Directorates at Provincial Office are responsible and accountable for submission of performance agreements to Corporate Services or Human Resource Management (PMDS Unit);</p> <p>(g) Performance Reviews – must be done every six (6) months in writing during the PMDS cycle;</p> <p>(h) Each performance review must be done by the 30<sup>th</sup> of the month following the quarter that is under review. Therefore two (2) reviews must take place in an PMDS cycle;</p> <p>(i) The appeals procedure must be clarified to staff members at the contracting phase of the PMDS cycle;</p> <p>(j) Grievances in respect of contracting and review processes are to be addressed in terms of the grievance procedure;</p> <p>(k) All staff must have job descriptions. This must be supplied by the immediate supervisor to the employee on assumption of duty or soon thereafter;</p> <p>(l) All performance management related information such as Performance Agreements, PDP's, performance reviews and performance appraisals must be captured on PERSAL to ensure data integrity.</p> |
| 7.1.30 | <p>The HOD as the Accounting Officer and as the designated employer to implement the PMDS, reserves the right to devise mechanisms that will ensure 1,5% of the salary bill is not exceeded;</p>  |
| 7.1.31 | <p>The Intermediate Review Committees reserve the right to request supervisors to adjust performance rating of individuals when:</p> <p>(a) Employees were called to state their case and make necessary recommendations</p> <p>(b) Performance of individuals are not aligned to the expected targets as outlined in the performance contracts</p> <p>(c) Insufficient Portfolio of Evidence to justify the rating awarded, the related performance information (evidence) are not supporting the actual rating</p> <p>(d) Performance of units are not aligned to its related operations plans</p> <p>(e) Performance of programmes are not aligned to its related performance plans</p> <p>(f) Performance of the department are not aligned to its related performance plans as well as when the related performance information (evidence) are not supporting the actual rating</p>  |

| No     | Mandatory elements   |
|--------|--|
| 7.1.32 | <p>The HOD as the Accounting Officer and as the designated employer to implement the PMDS, reserves the right, on recommendation by PMDS Committees to request supervisors to adjust performance ratings of individuals when:</p> <ul style="list-style-type: none"> <li>(a) Performance of individuals are not aligned to the expected targets as outlined in the performance Agreements</li> <li>(b) Performance of units are not aligned to its related operations plans</li> <li>(c) Performance of programmes are not aligned to its related performance plans</li> <li>(d) Performance of the department are not aligned to its related performance plans</li> </ul> |
| 7.1.33 | <p>If an employee is absent with permission or on precautionary suspension for a continuous period of 3 (three) months or longer, the affected employee shall be regarded as having performed satisfactorily for that period of absence within that applicable performance cycle. Periods of prolonged absence with permission include all types of approved leave.</p>  |
| 7.1.34 | <p>The Departmental PMDS committees will meet at least twice each financial year to assess the department's performance and to determine compliance to the PMDS policy of the department.</p>  |
| 7.1.35 | <p>Failure to comply with the policy requirements as outlined above will lead to disciplinary action.</p>  |



### 8. INTEGRATION OF DEPARTMENTAL PLANS AND PROCESSES



## Performance Management and Development System Cycle

The foundation upon which the performance management system is based is the integration of departmental plans and processes and, the alignment of the individual departmental plans with the strategic goals of the province as a whole. Integrated planning processes are based on linkages between long-term strategic level goals and annual operational level outputs required for achieving the long-term goals of the department and the Province as a whole. Once analysis has been completed at a strategic level through the integration of plans, the PMDS is operationalised at an organizational or departmental and individual level. Annual business plans are developed at departmental, branch and directorate level.

The PMDS provides a framework to link departmental objectives to the overall strategic goals of the province. It also shows us how we can link departmental performance to individual performance.

The objectives contained in departmental plans should contribute to the achievement of provincial strategic goals. In turn, individual performance plans should contribute to the achievement of departmental objectives.

The key levels of the performance management framework are as follows:

### **Strategic Level Components**

The departmental vision and its strategic focus, as described in the strategic plan, shall link directly to the strategic goals of the province. If the linkages cannot be traced, the province runs the risk of not being able to meet its commitments. The departmental strategic objectives shall provide a clear indication of how the goals will be achieved.

The strategic objectives shall reflect consideration of the following:

- a. The department's clients and the services to deliver,
- b. Priority services for the next three years,
- c. Cost of the provision of services especially the prioritized services,
- d. Alignment of the budget to the strategic priorities,
- e. Internal improvements as a department to be able to improve performance,
- f. Systems, processes and resources needed to be more effective,
- g. Identification of innovative approaches to service delivery or organizational performance to pilot and test
- h. Budget allocations for testing new approaches

### **Organizational Level Components**

The departmental annual performance plan shall be annual plan of operation and is therefore focused on outputs and deliverables. It describes the outputs or deliverables that the department must produce in order to achieve its strategic objectives and this must be linked to workplans and performance agreements.

The departmental operational plan shall be cascaded through the department in the form of Programme, chief directorate or sub-programme and directorate operational plans. These describe in greater detail how deliverables, specific to a particular branch or directorate, will be achieved. The plans shall clearly reflect inter-linkages with other directorates and how responsibility is allocated between them. Resource requirements or enabling conditions that must be in place should also be clearly reflected.

Sub-directorate and section workplans are optional components of the Performance Management framework and should only be used where it makes sense to do so, such as a team in a district or regional office. Plans should reflect the level of detail required according to the nature of the team’s responsibility. Plans must be very focused on the task for which the team is accountable.

**Individual Level Components**

The Department, in its implementation of the PMDS, shall utilize individual performance management agreements as tools in the process of performance management. These agreements must be drawn up and signed each assessment year. This is a critical step in the first phase of the performance agreement cycle. Employees, who are joining the department for the first time, including SMS members, should, within three (3) months, draw up performance management agreements. Individual agreements are the basis upon which performance will be measured for individual employees.

These shall be linked to the development of departmental and directorate business plans. Individual plans are the basis upon which employee performance will be measured in the department.

**Performance criteria and or standards shall be clearly articulated during the performance planning and contracting phase**

The three performance management tools are as follows:

| TOOL                          | APPLICABLE TO   | KEY ASPECTS  |
|-------------------------------|---|--|
| Performance Agreement         | All personnel at levels 13 to 16  | Performance is assessed on the basis of outputs and not activities   |
| Performance Agreement         | All personnel at levels 6 to 12   | Performance is assessed in terms of actions required to complete the set tasks   |
| Standards framework agreement | All personnel at levels 2 to 5. Some categories of professional staff may require standards framework | Performance is assessed against general performance standards.<br><br>Performance standards for professionals are determined by their professional bodies. |

Failure to have a signed performance agreement (by both parties) and captured on PERSAL by 30 June shall lead to disciplinary action.

The contents of these agreements must relate to the information contained in the relevant and applicable job descriptions as required by the PSR 2016, Chapter 1 Part III.I.1. During contracting phase, the individual employee shall ensure that objectives, KRAs are weighted.

**9. THE PERFORMANCE MANAGEMENT CYCLE**

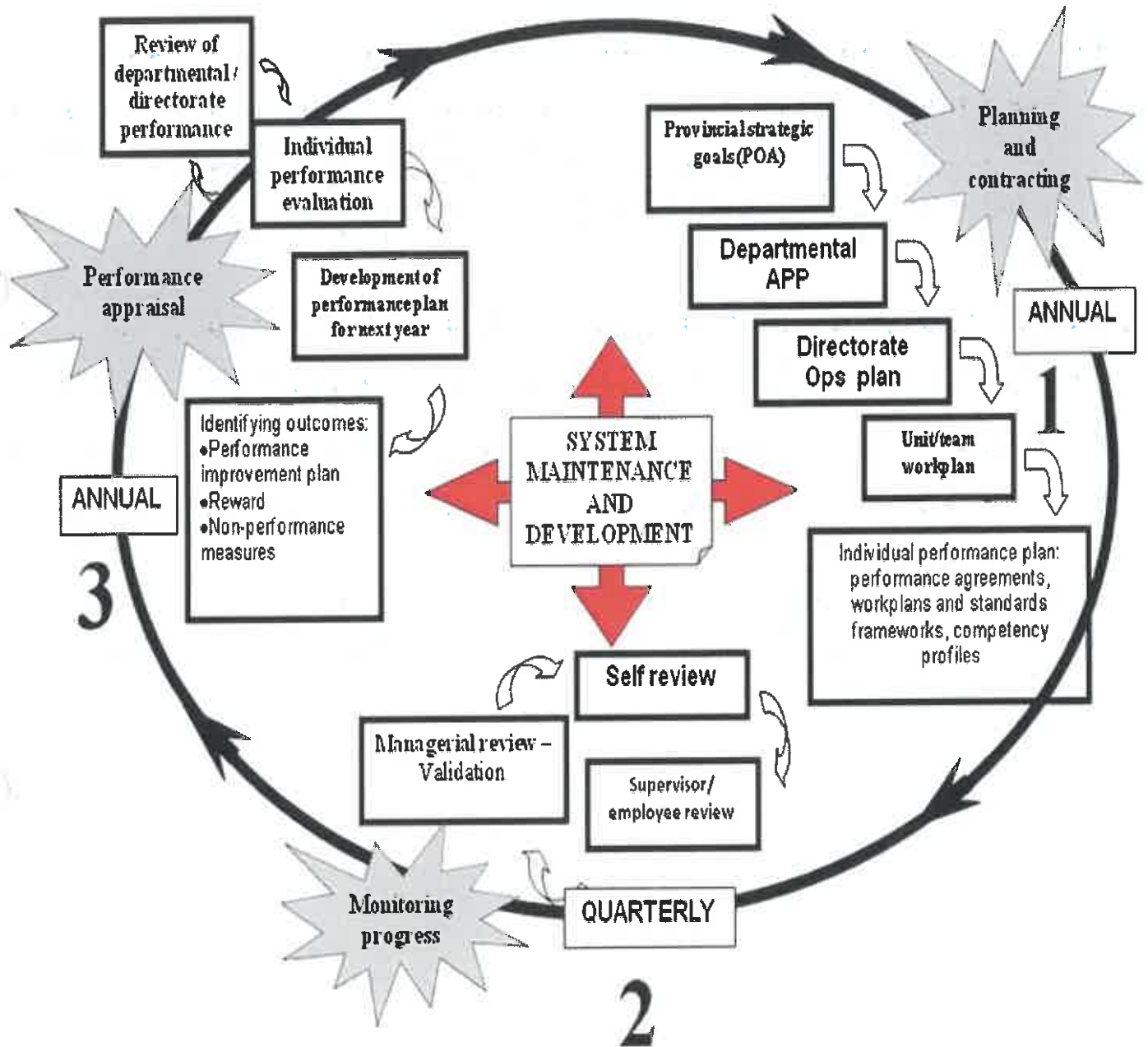
- 9.1 The performance management cycle describes the various phases that the system moves through over the course of one year.
- 9.2 There are four integrated elements or main phases of the performance cycle:
  - (a) Performance planning and agreement;
  - (b) Performance monitoring, developing and control;
  - (c) Performance assessment or appraisal; and

(d) Managing the outcomes of assessment

9.3 In addition, the PM cycle shall incorporate system maintenance and development.

9.4 The cycle is shown in Diagram 2. A detailed description of each phase follows after the diagram.

**Diagram 2 – Performance Management Cycle**



9.5 Description of Performance Management Cycle

| PHASE                                      | COMPONENT                                      | DESCRIPTION   |
|--|--|---|
| Performance Planning and Contracting       | Provincial Strategic Goals/Programme of action | The provincial strategic goals describe what the province wishes to achieve which is outlined in the programme of action (POA)  |
|  | Departmental Annual Performance Plan (APP)     | The Annual Performance Plan describes how the department aims to achieve its strategic objectives through specific deliverables. It gives guidance to the work of the department for the year under review  |
|  | Branch Annual Performance Plan                 | Annual Performance Plan must be in place for each branch. These outline the areas of performance of each branch and which deliverables they will be contributing towards. They describe the specific deliverables to be attained for the period under review  |
|  | Directorate (Ops) Plan                         | Operational plans must be in place for each directorate. They perform the same function as those of the branch.   |
|  | Unit/ team workplan                            | Functioning units and teams (which may exist across directorates) should develop workplans that outline the specific actions that they shall be undertaking over the next year.   |
|  | Individual plans                               | <ul style="list-style-type: none"> <li>Each individual within the department, from the level of HOD downwards, must have a plan that outlines the requirements for their performance. This may take a number of forms, depending on the role that the person plays within the department. The various planning tools, the performance plan, workplan and standards framework must be signed by both supervisor and supervisee.</li> <li>Each individual plan must be accompanied by a competency profile, used largely for skills development.</li> </ul> |
| Quarterly Performance review and reporting | Self-Review                                    | Self-review is a structured and formal progress review process by which the staff member completes an individual performance review quarterly and documents the rating which must be supported by a portfolio of evidence.  |



| PHASE                                      | COMPONENT  | DESCRIPTION  |
|--|--|--|
|  | Supervisor/ employee performance review          | In preparation for performance review, both supervisor and employee shall have collected and assessed performance information for the quarter under review, to discuss whether or not targets been met. At this point generic assessment factors (GAF) and key performance area (KPA) will be discussed and will be rated. Satisfactory and unsatisfactory performance gaps must be managed. Personal development plan must be revisited and aligned.        |
|  | Managerial review - Validation                   | A structured and formal process where individual performance are assessed and compared against directorate/branch/departmental performance, providing an opportunity for improvement before the annual performance review takes place.   |
| Annual appraisal (performance evaluations) | Individual performance appraisal/ evaluation     | Performance appraisal is the annual process of assessing performance. It is:- <ul style="list-style-type: none"> <li>• Part of a larger process of linking individual performance management and development to organisational goals;</li> <li>• Only one aspect of managing and developing the performance of individuals;</li> </ul> A cyclical and iterative process aimed primarily at performance improvement through ongoing learning and development. |
|  | Review of departmental / directorate performance | A structured and formal process where individual performance is assessed and compared against directorate/branch/departmental performance, providing an opportunity for improvement.   |
|  | Development of performance plan for next year    | A personal development plan outlines the areas in which improved levels of competence are required, and the process for ensuring that improvement takes place.   |

## 10. PERFORMANCE MONITORING, REVIEW AND ASSESSMENT

Performance monitoring and review must ensure that employees work towards the objectives and KRAs agreed to during the contracting phase.

Performance review shall be conducted through a series of review discussions that form a continuous process of monitoring and assessing individual and/or team performance.

Performance assessment shall be determined the overall level of performance of employees/ teams during a particular year.

Assessment shall be based on the achievement in relation to identified objectives and KRAs for the year. Performance assessments take place annually, at the level of the Department, the Branch, the Directorate, the Unit/Team, and the level of the individual.

### 10.1 PERFORMANCE MONITORING

Performance at the 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 –

- (i) Determine Progress and/or Identify Obstacles in achieving Objectives and Targets;
- (ii) Enable Supervisors and Jobholders to deal With Performance-Related Problems;
- (iii) Identify and Provide the Support Needed;
- (iv) Modify Objectives and Targets; and
- (v) Ensure Continuous learning and Development.

### 10.2 PERFORMANCE REVIEW AND ASSESSMENT

Performance review meetings form an integral part of the monitoring process. These reviews must take place every six months in order to motivate and show an employee performance area that need improvement. It also serves the purpose of modifying the agreement if required. The supervisor should use every opportunity to discuss the employee's performance, including component meetings, report backs, and informal discussions.

Performance assessment determines the overall level of performance of employees/ teams during a particular year. Assessment is based on the achievement in relation to identified objectives and KRAs for the year.

Performance assessments take place annually, at the level of the Department, the Branch, the Directorate, the Unit/Team, and the level of the individual.

The supervisor must complete a full and formal review, assign ratings to KRAs, complete all documentation and have the document signed by the employee. This ensures that the employee has no doubt as to what work outputs have been produced.

### 10.3 The supervisor shall prepare the following:

Review of the previous period's performance

Review of the targets for the next period



#### 10.4 The jobholder should prepare the following:

- a) Review of the previous period's performance and identify possible new targets
- b) Supporting facts on performance delivered
- c) Factors that affected performance
- d) Support that will be needed as well as possible training and development needs and Feedback must be given to the supervisor.

The review shall take the form of a one-on-one discussion between the supervisor and the employee. The content and outcomes of the quarterly review session and the end of-year assessment should be signed by both parties. The periodic reviews at all levels must also include a discussion on the employee's development plan requirements. The final assessment discussion must take place at the end of the performance cycle and should coincide with the end of the financial year, i.e. March of each year. The result of the assessment discussion and evaluation are the assessment score of the employees':

Performance that is the total of the individual KRA assessment scores. The assessment discussion shall enable the following:

- a. Give the employee an opportunity to assess own performance and contribution to the organisational goals and to identify areas of improvement
- b. Give the supervisor an opportunity to provide formal feedback on performance over the year and to identify ways of improving on what was achieved
- c. Give the employee an opportunity to contribute and respond to comments regarding personal performance and to identify issues beyond control that limit the achievement of results
- d. Give an opportunity for open discussion between the employee and supervisor during which achievements can be recognized fully and ideas for solving problems and actions agreed upon
- e. Give an opportunity to reach the overall assessment score based on the level of achievement attained in terms of the performance agreement and
- f. Give the supervisor and the employee an opportunity to agree on areas of personal development.

| Assessment Period        | Submission to HRM&D               |
|--------------------------|-----------------------------------|
| 1. 1 April- 30 September | 31 <sup>st</sup> October annually |
| 2. 1 Oct – 31 march      | 30 <sup>th</sup> April annually   |
| 3. Annual assessment     | 30 <sup>th</sup> April annually   |

## 10.5 MODERATION

### 10.5.1 MODERATION COMMITTEE

The Head of Department shall appoint the Departmental Committee to moderate the Departmental annual performance assessments and submit the recommendations for approval. The performance moderation is conducted by a higher level of management above the supervisor to ensure, as far as possible, that the performance of all employees is evaluated fairly and consistently across the department. Departmental Moderating Committee (DMC) for employees other than members of the SMS should be chaired by the Chief Director Corporate Service. The Committee, furthermore, may consist of Chief Directors or relevant delegated Directors.

The Departmental SMS moderation committee will consist of three levels of moderation (level 13, 14 and 15).

The performance moderation processes may be conducted in two steps for employees other than members of the SMS, i.e. the intermediate review committee (Area, District and Chief Directorate) and departmental moderation committee.

#### 10.5.1.1 THE ROLES OF THE INTERMEDIATE REVIEW COMMITTEE (IRC).

The Department makes provision for assessment ratings to be reviewed at two (2) levels, that is Area/Directorate level as well as District/Branch level, before they are presented for departmental moderation and validation.

- a. The IRC Committee is duly delegated by the Head of Department to be formally appointed by Programme managers or Head of District /Branch/Area Offices.
- b. The IRC receives reviews, compares and validates the Provisional Assessment Ratings (PAR) of all employees reporting to it. This must be done half yearly. At level 1 these PAR are mainly assessment ratings between the Supervisor and the Employee.
- c. The IRC at level 1 refers these score ratings to the IRC at level 2 for further validation and quality check if the IRC at level 1 agrees with the Provisional Assessment Ratings between the supervisor and the employee.
- d. The IRC at level 2 issues Validated Assessment Rating (VAR) of the Provisional Assessment Ratings from the IRC level 1 if the score ratings are acceptable.
- e. If the IRC agrees with the ratings, the ratings are then submitted to the Departmental Moderating Committee.
- f. Any recommendation on the changing of the rating scores must be referred back to the employee's supervisor for the supervisor and the subordinate to try and reach consensus on the change within a week. This should be accompanied by a request to reconsider the rating.
- g. If the supervisor and the employee cannot agree, the unchanged/original rating the IRC level 2 make a decision based on performance assessments at their disposal and write in detail on the Minutes the recommendation and forward to the Departmental Moderating Committee.

- h. The IRC at level 2 further refers the Validated Assessment Ratings to the Departmental Moderation Committee for quality assurance.
- i. The Departmental Moderating Committee may confirm the ratings to become Confirmed Assessment Rating (CAR) which are **final rating scores** for an employee.
- j. Any disagreements that emanates from IRC level 1 must be presented to IRC level 2 to be resolved and finalised at that level.
- k. It is only after receiving a confirmation of a **Final Confirmed Assessment Rating** from the Departmental Moderating Committee that aggrieved employees that emanated from IRC level 2 may submit their grievance to the Appeals Committee for resolution.

#### 10.5.1.2 OTHER ADDITIONAL ROLES INCLUDED ON LEVEL 2 IRC

Final outcome of performance assessment of each Area or Institution after the IRC level 1 has finalised its own moderation. This final outcome shall cover the following:

- a. Performance Presentation of IRC Level 1 aligned with statistics of awarding incentives
- b. Compliance with the Departmental PMDS Policy.
- c. Validation on compliance of all Performance assessment files (rated 3 & 4) for recommended employees.
- d. Disputes/disagreements emanating from IRC level 1.
- e. Poor performance (extent of) and remedial action taken to address them.
- f. Compliance with the non-exceeding of 1,5% threshold.

#### 10.6.1.3 ROLES OF THE DEPARTMENTAL MODERATION COMMITTEE (DMC)

- a. 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 and across the department as a whole.
- b. The DMC should not assess each individual case for purposes of evaluating ratings, but should develop an overall view of the results of the assessment process. If the DMC identifies deviations or discrepancies, these should be dealt with in a just, fair and consistent manner.
- c. The DMC must keep detailed minutes and records of decisions, in particular, if it recommends either increasing or decreasing rating scores. Such decisions must be communicated to the supervisor and the employee.
- d. The Moderating Committee shall confirm the rating, which is the final rating score for an employee.
- e. The committee must also ensure that scores given across the department are realistic and convert to a monetary value in line with the budget
- f. The Committee must also review overall assessment statistics of components to ensure equity and fair distribution across the department.

#### 10.6.1.4 THE OTHER ADDITIONAL ROLES OF THE DMC INCLUDE

- a. Provision of oversight of the application of the PMDS policies, ensuring that the performance management process, including the setting of performance standards is valid, fair and objective; Detection of potential problems in the PMDS and advising the HOD accordingly;
- b. Reviewing overall assessment scores across unit sections/programmes in the department;
- c. Recommending reward levels and remedial action for different types of performance outcomes; and
- d. Making recommendations regarding actions to be considered where managers and supervisors do not properly and fairly execute their responsibilities with regard to contracting, provision of performance feedback, mid-year reviews, annual assessment and rating in terms of the PMDS.

### 11. DISPUTE RESOLUTION

#### 11.1 MECHANISM FOR THE RESOLUTION OF DISPUTE ON PERFORMANCE MATTERS

Mechanisms for dispute resolution must include any differences which might arise out of performance agreements, performance review and annual assessment. Any disagreement must first be resolved internally within the Unit/Component/Branch/District.

##### 11.1.1 Mechanisms for dispute resolution pertaining to a performance matters of a similar nature

- a. If a dispute arises as contemplated in regulation 72(4) of the PSR, the EA or delegated official shall appoint a mediator, who shall be an employee, to consider the dispute within one (1) month after the expiry of the due date for signing of the PA or an agreement of a similar nature.
- b. Persons appointed to resolve disputes should preferably be chosen on the basis of their functional expertise and people skills and not necessarily a legal qualification since performance disagreements should preferably be a consensus driven process resolved through dialogue.
- c. The PMDS mediation process shall not exceed a period of one month.
- d. If the mediation process fails, an employee may consider a formal grievance in terms of the Public Service Grievance Procedure.

### 12. DISAGREEMENT AND APPEALS

- a. Agreement between an employee and supervisor, and/or with the PMC (Moderating Committee) on employee performance issues such as rating, is not always guaranteed. If the requirements of the system are met with regard to regular consultation and discussion sessions between the supervisor and the employee, there should normally be little cause for continued disagreement.
- b. However, disagreement may occur:
- c. Between the employee and supervisor
- d. Between an employee and supervisor on the one hand, and the Component Moderating Committee on the other hand
- e. If the attempt to resolve the disagreement has failed, the EA or delegated official (i.e. HOD) shall, if not already nominated by the supervisor and employee, appoint a mediator who shall be an employee, to consider the disagreement within one (1) month after the expiry of the due date (PA,

performance review and assessment). Appointment of persons to resolve dispute should be on the basis of their functional expertise and people skills and not necessarily due to a legal qualification.

- f. If the mediation process fails, an employee may consider an Appeals process. This may include Disagreements at the levels of the Component and/or the departmental moderating committees.

## **12.1 DEPARTMENTAL APPEALS**

- a. The EA or delegated official (Head of Department) shall appoint an Appeals Committee to facilitate the submitted appeals lodged by officials and submit the recommendations to the relevant EA or delegated official (Head of Department) for approval.
- b. An employee who has an appeal arising from implementation of the PMDS moderation (IRC level 2 and DMC) process by an official may lodge an Appeal, together with the moderations outcome letter and reasons for appeal, to the Appeals Committee of an employee at level 1 to 12.

## **12.2 ROLES OF PMDS APPEALS**

- a. To review and validate procedural fairness in moderation process objectively, transparently, consistently with all applicable policy and legislation.
- b. To review and resolve the appeal as well as reasons for not awarding incentives from the moderation committees
- c. To reassess performance assessment documents including POE.
- d. No new evidence shall be entertained by the Appeals Committee after completion of Departmental Moderation Committee.
  - o If the committee identified any discrepancies in the procedure to be followed in terms of the policy and or any procedural unfairness, the committee require additional information to be submitted based on the merit of the appeal.
- e. The committee shall validate the additional submitted information and make a final decision.
- f. The committee shall make recommendations of the outcomes to the EA or delegated official (Head of Department)

## **13 OUTCOMES OF PERFORMANCE ASSESSMENT PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM**

### **13.1 Probation**

The performance of employees on probation is managed in terms of the PMDS process as well as the departmental policy on probation. The process is as follows:

- a. The PMDS will serve as the system that is used to assess an employee during the period of probation
- b. The performance assessment of employees on probation must be conducted quarterly in line with the PMDS
- c. The performance assessment form on probation must be submitted to HR immediately after the assessment

- d. The supervisor of the probationer must make a recommendation on whether or not appointment should be confirmed at the end of the probationary period. If the probationer is not deemed suitable for the relevant post, other options such as the extension of probation, formal registration on the incapacity programme or as a last resort, dismissal, should be considered. (Refer to Annexure A for probation assessment form.)
- e. An employee's probation period will not necessarily coincide with the April to March cycle, however the PMDS assessment tool must be used for assessment, and the results captured in the probation quarterly assessment form.

### 13.2 **Managing Performance that is not Fully Effective**

Supervisors shall be 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 the procedural requirements of PSCBC Resolution 10 of 1999 and Resolution 1 of 2006 - "Incapacity Code". The PMDS provides for the early identification and resolution of unacceptable performance.

The employee's performance rating as "not fully effective" or lower during the annual performance assessment should not be the first indication of the employee's shortcomings. Performance monitoring, including the performance reviews, provide opportunities to ensure this does not happen.

The supervisor of the underperforming employee must ensure implementation of Performance Improvement Plan and monitor performance for a period of six months. The interventions may include any or all of the following:

- a. Personal counselling
- b. On-the-job mentoring and coaching
- c. Formal training/re-training
- d. Restating the Work Plan performance requirements
- e. Work environment audits to establish other factors affecting performance.

Should the employee not respond to reasonable and continuous attempts to improve performance and an overall performance assessment score of less than 50% is the result of the assessment process, the employee must be formally registered on the "Incapacity Programme" and advised of this in writing. The above process applies to incapacity due to both poor performance and ill-health.

### 14 **NORMAL DISTRIBUTION CURVE OF PERFORMANCE CATEGORIES:**

- a. Performance that is fully effective (average, satisfactory) is generally rewarded by means of the annual salary, a thirteenth cheque, the annual salary adjustment and pay progression. Only performance that is significantly above expectations and outstanding should qualify for performance awards.
- b. The following guideline, based on the statistical normal distribution curve principles, serves to assist the Moderating Committee to evaluate the summarised analysis of the outcome of performance ratings. In terms of the normal distribution, about 15 to 20 percent of staff generally qualify for a performance bonus.

- c. This guideline should be taken into account in identifying trends and making recommendations for performance rewards within the 1.5% of the remuneration budget.

#### 14.1 Categories of performance and rating scale

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

| RATING | CATEGORY                                     | DESCRIPTION  |
|--------|--|--|
| 1      | Not effective<br>(less than or equal to 66%) | Performance does not meet the expected standard for the job. The review / assessment indicates that the jobholder has achieved less than fully effective results against all or almost all of the performance criteria and indicators as specified in the Performance Agreement and Workplan.  |
| 2      | Partially Effective<br>(67%-99%)             | Performance meets some of the standards expected for the job. The review/assessment indicates that the jobholder has achieved less than fully effective results (partially achieved) against more than half of the performance criteria and indicators as specified in the Performance Agreement and Workplan.   |
| 3      | Fully Effective<br>(100% - 119%)             | 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 result against all of the performance criteria and indicators as specified in the Performance Agreement and Workplan.  |
| 4      | Highly Effective<br>(120% - 133%)            | 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 more than half/or in all areas of the performance criteria and indicators as specified in the PA and Workplan and maintained this in all areas of responsibility throughout the performance cycle. |

#### 15. POLICY INCENTIVE FRAMEWORK

The Executive Authority (EA) shall, in terms of Regulation 73(1) of the 2016 Public Service Regulations (PSR), establish a performance incentive scheme to reward employees or category of employees in his or her department(s) within the limits determined by the Minister for the Public Service and Administration (MPSA) in terms of Sub-regulation 73(3) and (4) of the PSR, 2016, as contained/stipulated in the 2019 Incentive Policy Framework. The Head of Department (HOD) shall, in terms of Sub-regulation 73(2) of the PSR, 2016, establish a written departmental performance incentive scheme, containing, inter alia, the rules and control measures.

In the *2019 Incentive Policy Framework* the following definitions apply, unless the context indicates otherwise:

- 15.1.2 **Performance Cycle:** - means a continuous 12 months period (cycle) aligned to the financial cycle that runs from 1 April to 31 March of the next year.
- 15.1.3 **Pay Progression:-** means progression to a higher salary notch within the same salary level/scale up to the maximum of the scale, limited to a **single** salary notch per pay progression cycle for non-OSD employees and SMS members, and the **number of salary notches** provided for in the respective OSD for OSD employees.



- 15.1.4 **Pay Progression Cycle:-** means a continuous period of 24 months, running from 1 April to 31 March of the year following the next year, for 1st time participants, and 12 months, running from 1 April to 31 March of the next year, for employees other than 1st time participants.
- 15.1.5 **First (1st) time participant:-** means a new appointee to the Public Service in a **production or supervisory/managerial** OSD, non-OSD or SMS post – Including employees who have previously resigned from the Public Service and who are re-appointed - even with effect from the next work day following the date of resignation; and Excluding OSD and non-OSD employees appointed in training or community service posts (e.g. Candidate Technician and Engineer, Pupil Artisan (Apprentice), Medical Officer (Intern (Medical)), Pupil Nurse, Medical Officer (Community Service).
- 15.1.6 **Grade Progression for non-OSD employees:-** means progression in terms of the Grade Progression Model from a grade (salary level) attached to a post, as per the result of job evaluation, to the next higher permissible grade (salary level) after completing the stipulated period of service on the salary level attached to a post the post, based on the prescribed level of at least satisfactory performance
- 15.1.7 **Accelerated grade progression for non-OSD employees:** - means progression in terms of the Grade Progression Model from a grade (salary level) attached to a post, as per the result of job evaluation, to the next higher permissible grade (salary level) **after 12 years' service** on the salary level attached to the post, based on at least above satisfactory performance for a cumulative, and not necessary successive, period of 12 years.
- 15.1.8 **Grade progression and accelerated grade progression for OSD employees:-** means progression from a lower grade (salary scale) to the next higher grade (salary scale) attached to an OSD post, based on the specific requirements for grade progression and accelerated grade progression set for the OSD post in the relevant OSD.
- 15.2 **Continuous Service:** - means uninterrupted years of completed service on the specified salary level.
- 15.2.1 **Grade Progression Model:** - is the Model contained in PSCBC Resolution 3 of 2009 and Part C to the *2019 Incentive Policy Framework*, which is applicable to non-OSD employees.
- 15.2.2 **Wage Bill:** - for purposes of pay progression, consists of the combined total of the employees' salary notches, the employer's contribution to the GEPP and service bonuses (for Total Cost-to-Employer (TCE) package employees this refers to the entire TCE package).
- 15.2.3 **Remuneration Bill:-** means all personnel expenditure; therefore includes salaries (basic and TCE packages), employer contributions to the GEPP and registered medical aid schemes, service bonuses, home owners allowances as well as other allowances for which employees may qualify (e.g. danger allowances, allowances payable to employees serving Executing Authorities) – in other words the total remuneration budget for the financial year.

#### PART A: PAY (NOTCH) PROGRESSION FOR NON-OSD AND OSD EMPLOYEES, AND SMS MEMBERS

- a. Pay progression is not automatic, but is based on actual service on a particular salary level for the respective periods as determined in terms of the 2019 Incentive Policy Framework, and based on the attaining of "at least a satisfactory performance" rating for the mentioned period in terms of departmental specific performance management systems.
- b. Employees are eligible for pay progression on the following dates, based on the outcome of their performance in the previous performance cycle:

c. Non-OSD and OSD employees: 1 July of a year.

15.3 SMS members: 1 April of a year.

The qualifying period for pay progression for First (1st) time participants runs from the 1st of April after date of appointment to the Public Service to 31 March of the year following the next year – therefore at least twenty-four (24) months. This means that the qualifying period for a first time participant who is appointed after 1 April of a year will commence with effect from the next 1 April and run for 24 months until 31 March two years later, with the awarding of the pay progression to the employees with effect from the subsequent 1 July for non-OSD and OSD employees, and 1 April for SMS members.

- a) The qualifying period for pay progression for employees other than 1st time participants runs from 1 April to 31 March of the next year (performance cycle).
- b) The pay progression cycle for first time participants does not affect their prescribed probation periods.
- c) PERSAL/PERSOL shall not implement pay progression automatically.
- d) Pay progression is awarded to qualifying employees in addition to possible annual cost-of-living adjustments.
- e) The pay progression of OSD employees is regulated in terms of their respective OSDs.
- f) The MPSA determined that the expenditure on pay progression for non-OSD and OSD employees, and SMS members shall not exceed 2% of a department's wage bill for any given financial year.

15.4 Employees are excluded from pay progression in the following circumstances:

- a. If a **non-OSD employee** was awarded a higher salary of salary level (e.g. in terms of the repealed PSR, 2001 (Chapter 1, Part V/C3), or progressed to a higher salary level in terms of a previous service dispensation) that does not correlate with the job weight attached to his or her post, or which is not a grade progression (salary) level attached to the his or her post in terms of the non-OSD Grade Progression Model, **he or she does not qualify for pay progression on such higher salary level**. The following scenarios serve as examples:
- b. An employee who is appointed in a non-OSD post graded on salary level 7, and who is remunerated on salary level 9, does **not** qualify for pay progression on salary level 9 because salary level 9 is not a progression level for a post graded on salary level 7 in terms of the Non-OSD Grade Progression Model.
- c. An employee who is appointed in a non-OSD post graded on salary level 8, and who is remunerated on salary level 9, does **not** qualify for pay progression on salary level 9 because salary level 9 is not a progression level for a post graded on salary level 8 in terms of the Non-OSD Grade Progression Model.
- d. An employee who is appointed in a non-OSD post graded on salary level 12, and who is remunerated on salary level 13, does **not** qualify for pay progression on salary level 13 because salary level 13 is not a progression level for a post graded on salary level 12 in terms of the Non-OSD Grade Progression Model.
- e. An OSD employee on a **personal** salary (notch or Total Cost-to-Employer package above the maximum of the scale attached to the OSD post, or highest scale if more than one salary grade (scale) is attached to the OSD post.

- 15.5 PART B: PERFORMANCE BONUSES FOR NON-OSD AND OSD EMPLOYEES, AND SMS MEMBERS**  
**The MPSA determined that the annual expenditure on performance bonuses is set as the maximum percentage indicated below of a department's annual remuneration budget:**
- |                                    |               |
|------------------------------------|---------------|
| Financial Year (performance cycle) |               |
| Maximum % of Remuneration Budget   | 2018-19-1.5 % |
|                                    | 2019-20-0.75% |
|                                    | 2020-21-0.5%  |
|                                    | 2021-22- 0%   |

**Post 2022 To be determined based on the Comprehensive Review of ALL PMDSs for ALL categories of Employees.**

**Executive Authorities do not have the authority to exceed the caps indicated above.**

- 15.6 Departments may introduce flexibility in respect of performance bonuses within a maximum of 18% of a salary notch and 14% of a TCE package.

EAs therefore do not have authority to approve that 2% annual expenditure cap on pay progression is exceeded. It is not necessary that the full amount (cap) is used every financial year since it is a maximum cap. It should be noted that the awarding of 1 notch to employees with satisfactory assessment is eligible, provided that all requirements are met as stipulated in the Incentive Policy Framework

## 16.1 Performance Incentives Schemes (Recognition of performance)

### 16.1.1 Pay progression

The pay progression system for salary levels 1 to 12 shall be managed in terms of the 2019 Incentive Policy Framework - DPSA Circular 01 of 2019. The awarding of pay progression is linked to individual performance and the performance/pay progression cycle runs from 1 April to 31 March of the next year. Pay progression is effective on 1 July following the performance/pay progression cycle.

An employee must have been on the same notch for entire performance cycle and a new appointee (1st participant) must complete at least 24 months (2 performance cycles). No pay progression may be granted beyond the maximum notch of scale. Expenditure on pay progression is capped at 2% of the Departmental wage bill in any given financial year.

Deviations from the implementation of the Incentive Policy Framework are not permitted. Section 5(4) of the Public Service Act stipulates that:

*"Any act by any functionary in terms of this Act may not be contrary to the provisions of -any collective agreement contemplated in item 15 (1) of Schedule 7 to the Labour Relations Act; or any collective agreement concluded by a bargaining council established in terms of the said Act for the public service as a whole or for a particular sector in the public service" 47*

### 16.1.1 Performance Bonus

The 2019 Incentive Policy Framework terminates the EA's authority to exceed the cap (envelope) on the expenditure permissible for the awarding of performance bonuses for non-OSD employees on salary levels 1 to 12 and OSD employees. This amendment is effective from 1 April 2019 (2019/20 performance cycle). Therefore, for performance bonuses based on the 2019/20 performance cycle, EA's do not have the authority to exceed the cap, which remains 1.5% of budget.

MPSA determined performance bonuses within a maximum of **18%** of salary notch and **14%** of a Total Cost-to-Employer package. The Provincial PMDS Policy allows for flexibility by setting a percentage range to the bonus as indicated earlier.

### Level 1-10

| Performance Category | Total Score   | Rating | Probation   | Development          | Pay Progression                       | Cash Bonus % |
|----------------------|---------------|--------|---|----------------------|---------------------------------------|--------------|
| Not effective        | 66% and below | 1      | Extend probation or terminate in terms of the incapacity code | Agree on Development | NIL                                   | NIL          |
| Partially effective  | 67% - 99%     | 2      | Extend probation  | Agree on development | NIL                                   | NIL          |
| Fully effective      | 100% - 119%   | 3      | Confirm probation   | Agree on development | 1 notch (1,5%)<br>1 notch (3%)<br>OSD | NIL          |
| Highly effective     | 120%-122%     | 4      | Confirm probation   | Agree on development | 1 notch (1,5%)<br>1 notch (3%)<br>OSD | 5%           |
| Highly effective     | 123%-125%     | 4      | Confirm probation   | Agree on development | 1 notch (1,5%)<br>1 notch (3%)<br>OSD | 8%           |
| Highly effective     | 126%-128%     | 4      | Confirm probation   | Agree on development | 1 notch (1,5%)<br>1 notch (3%)<br>OSD | 11%          |
| Highly effective     | 129%-131%     | 4      | Confirm probation   | Agree on development | 1 notch (1,5%)<br>1 notch (3%)<br>OSD | 14%          |
| Highly effective     | 132%-133%     | 4      | Confirm probation   | Agree on development | 1 notch (1,5%)<br>1 notch (3%)<br>OSD | 18%          |

### Levels 11-12

| Performance Category | Total Score   | Rating | Probation   | Development          | Pay Progression                       | Cash Bonus % |
|----------------------|---------------|--------|---|----------------------|---------------------------------------|--------------|
| Not effective        | 66% and below | 1      | Extend probation or terminate in terms of the incapacity code | Agree on Development | NIL                                   | NIL          |
| Partially effective  | 67% - 99%     | 2      | Extend probation  | Agree on development | NIL                                   | NIL          |
| Fully effective      | 100% - 119%   | 3      | Confirm probation   | Agree on development | 1 notch (1,5%)<br>1 notch (3%)<br>OSD | NIL          |
| Highly               | 120%-122%     | 4      | Confirm   | Agree on             | 1 notch                               | 4%           |

|                  |           |   |                   |                      |                               |     |
|------------------|-----------|---|-------------------|----------------------|-------------------------------|-----|
| effective        |           |   | probation         | development          | (1,5%)<br>1 notch<br>(3%) OSD |     |
| Highly effective | 123%-125% | 4 | Confirm probation | Agree on development | (1,5%)<br>1 notch<br>(3%) OSD | 6%  |
| Highly effective | 126%-128% | 4 | Confirm probation | Agree on development | (1,5%)<br>1 notch<br>(3%) OSD | 8%  |
| Highly effective | 129%-131% | 4 | Confirm probation | Agree on development | (1,5%)<br>1 notch<br>(3%) OSD | 11% |
| Highly effective | 132%-133% | 4 | Confirm probation | Agree on development | (1,5%)<br>1 notch<br>(3%) OSD | 14% |

### 17.1 Non-Monetary recognition

The DPSA has directed Departments to longer pay Performance Bonuses to officials post 2022. The Department can reward officials who obtain above satisfactory performance / Highly effective performance (commendable and outstanding performance) either or of the following recognitions:

#### 17.1.1 Low cost

One, or a combination of the following incentives:

- a. Given priority to attend national conference, overseas study tours
- b. Given priority to attend training, conferences or seminars of interest to the employee and are not necessarily linked to the current job performed by the employee
- c. Fully paid for, two days' vacation to the destination of the employee's choice in the Eastern Cape with his/her immediate family (spouse and children or single parent and children) Time off over and above leave
- d. Organized lunch with MEC / Executive Authority
- e. Shopping voucher to the maximum of R1 000,00

#### 17.1.2 No-cost

One, or a combination of the following incentives:

- a. Honorary Award Certificate
- b. Employee of the year certificate
- c. Recognition in departmental and/ or provincial publications Public note /memo
- d. Written personal letter
- e. Employee / team of the month recognition

- f. Delegation of more challenging responsibilities
- g. Represent department in official functions / forums

## **OCCUPATIONAL SPECIFIC DISPENSATION (OSD)**

### **18.1 OCCUPATIONAL SPECIFIC DISPENSATION (OSD)**

An OSD for the three occupations, namely: Social Workers (including Social Auxiliary Workers, Probation Officers and Assistant Probation Officers), Community Development as well as Practitioners (including Community Development Assistants) and Child and Youth Care Workers, shall be introduced with effect from April 2008.

**The OSD will provide for the following:**

#### **18.1.1 UNIQUE REMUNERATION STRUCTURES**

The introduction of unique remuneration structures per occupation with 3% increments between notches.

#### **18.1.2 REQUIREMENTS FOR APPOINTMENT AND GRADE**

To introduce an occupational specific remuneration and career progression system for Social Workers (including Social Auxiliary Workers, Probation Officers and Assistant Probation Officers) Community Development Practitioners (including Community Development Assistants) and Child and Youth Care Workers that provides for-

- a. career pathing;
- b. pay progression based on performance;
- c. grade progression based on performance,
- d. recognition of appropriate experience; and
- e. increased competencies,

To attract and retain employees in the social services professions and occupations of the Public Service.

To introduce differentiated salary scales for identified categories of employees in the social service professions and occupations based on a new remuneration structure.

To introduce a change in the pensionable composition of the total cost to employer packages applicable in the Middle Management

Service (MMS) of the social services professions and occupations.

### **18.2 PROGRESSION**

Appointment and grade progression requirements for each occupation are indicated in the OSD Framework.

#### **18.2.1 PAY PROGRESSION**

- a) The introduction of two-yearly pay progression within the limits of the relevant salary scale, on occupations' condition that the relevant employee has maintained at least a satisfactory (fully effective (and slightly above expectations)) level of performance as set out in the

performance management system that will be applicable at the time when such employee becomes eligible for pay progression.

- b) The first two-yearly pay progression cycle commenced on 1 April 2008
- c) That actual pay progression will be awarded with effect from 1 July of the year in which the employee has complied with the prescribed requirements for such pay progression

#### **18.2.2 ACCELERATED GRADE PROGRESSION**

- The OSD provides for the introduction of a system of accelerated grade progression to the next higher grade attached to a post, based on shorter qualifying periods than normal for employees who achieve a performance assessment rating of:
- satisfactory level of performance (Fully Effective and/or, above average performance (Highly effective) subject to the norms as contained in OSD Framework.

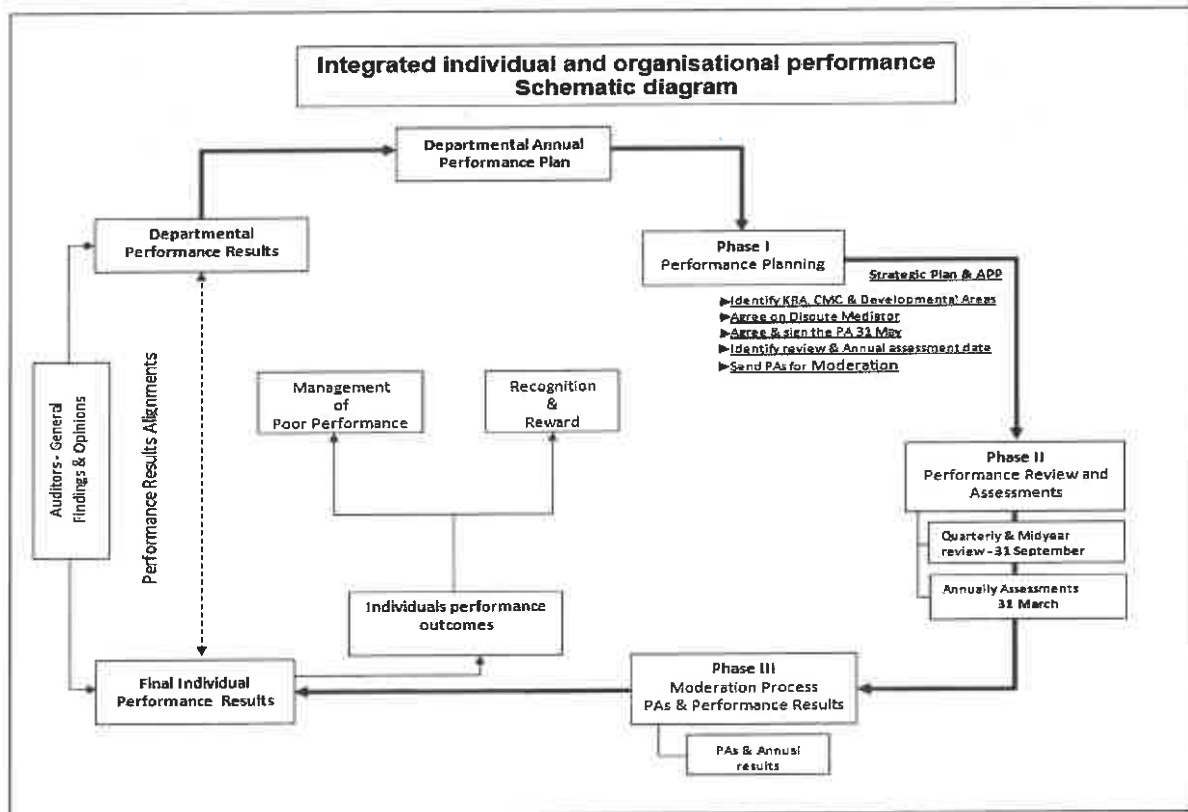
**19. SENIOR MANAGEMENT SERVICE**

**19.1 PERFORMANCE MANAGEMENT & DEVELOPMENT FOR DIRECTORS, CHIEF DIRECTORS AND DEPUTY DIRECTORS-GENERAL**

- a) The PMDS for members of the SMS integrates the management of individual performance with the management of organisational performance. The system aims to create a practical measure in order to validate and align the individual performance results with the organisational performance outcome. This will be achieved by using a combination of management control tools such as the Auditor-General's (AGs) Opinion and Findings and the departmental Annual Report (AR).
- b) The design of the PMDS is based on the linkages and relationship between the department's strategic goals/objectives and the APP. This will be achieved by applying a top down cascading approach to ensure maximum alignment between the PA of the member of the SMS, the APP as well as the KGFA's emanating from the PA of the HODs. This approach will assist departments to effectively monitor, evaluate and connect individual performance results with the department's annual performance.

**19.2 THE PERFORMANCE MANAGEMENT CYCLE**

- a) This PMDS cycle shall run for a period of twelve months, commencing on 1 April and terminating on 31 March of the following year (See figure 1).
- b) The performance management cycle shall be linked with the departmental strategic and budget planning periods. During the performance cycle, the SMS member and supervisor shall enter into, sign PAs, monitor and evaluate the performance of the member of the SMS.





## 20 KEY ELEMENTS OF THE PMDS

The performance management for members of the SMS at the levels of Directors, Chief Directors and Deputy Directors-General is centered on three main elements:

1. Employee Performance,
2. Organisational Performance based on the APP and
3. The Auditor-General's Opinion and Findings.

- (a) **Employee Performance** - is aimed to link the main deliverables in relation to the department's strategy and APP and/or operational plan. It details the work that shall be performed by the members of the SMS and constitutes Key Result Areas (KRAs). KRAs must reflect the main areas of focus for the member of the SMS from the different departmental programmes.
- (b) **Organisational Performance** - shall be based on the APP which sets out the department's yearly plan and outlines the objectives/goals, performance indicators and targets for the departmental programmes and subprograms. The APP facilitates the implementation of the department's strategic goals and objectives. Therefore, it is important to ensure that the performance indicators and targets from the APP are aligned across the department's programmes. Members of the SMS will be assessed against the planned goals/objectives that fall within their specific areas of responsibility (i.e. within the Branch, Chief Directorate and Directorate performance as captured in the AR/operational plan).
- (c) **Auditor-General's Opinion and Findings** - It is important to ensure that the financial statement is free from material misstatements. Furthermore, that there are no material findings on non-compliance with legislation and that there are key internal measurement controls to achieve a clean audit report. The AG report or findings is an appropriate mechanism to corroborate the performance outcome of the members of the SMS. Audit results should not be seen in isolation, but in context and should form an integral part in management's monitoring and evaluation of the performance of the member of the SMS. Members of the SMS may include improvements in the AG's findings, as a goal under the Employee Performance element, to be considered during assessment.

### 20.1 WEIGHTING OF THE PERFORMANCE ELEMENTS

- a. For the Deputy Directors-General (DDGs) - The employee performance shall comprise 60% of the final score. The different KRAs can be weighted differently to reflect their importance and complexity. The organisational performance will comprise 20% and the AG's Opinion and Findings will comprise 20% of the final score.
- b. For the Chief Directors and Directors - The employee performance shall comprise 100% of the final score. The different KRAs can be weighted differently to reflect their importance and complexity. However, the performance assessment of members of the SMS at the levels of Director and Chief Director should take into consideration the contributions, where applicable, of that member of the SMS in the performance of the department/branch against the achievement of the APP targets as well as the AG's Opinion and Findings. The exclusion of the organisational performance element for the Chief Directors and Directors is based on the fact that not all the work of Chief Directors and Directors is included directly on the APP.

- c. Where the Accounting Officer is a member of the SMS other than the HOD, the performance will be managed in terms of the provisions prescribed for SMS members on the level of the DDG (see paragraph 11.1).
- d. Weight and rating principles - the minimum weight to be allocated for any KRA shall be 10% and the maximum weight shall not exceed 30%. However, the weightings for the APP and AG's opinion and findings respectively are fixed at 20% each for DDGs.

## 21. PERFORMANCE CONTRACTING AND ASSESSMENTS

### 21.1 Entering Into a Performance Agreement

- 21.1.1 All members of the SMS and their supervisors must annually enter into and sign their PAs on or before 31 May of each financial year. Newly appointed member of the SMS shall enter into and sign their PA with the supervisor three months after their appointment. SMS members who are appointed on a fixed-term contract for a period of six (6) months or longer must enter into a PA with their respective supervisors. The relevant supervisor shall ensure that the signed PAs are submitted to their internal Human Resource Management (HRM) components on or before the end of the first working day following the due date for signing of PAs.
- 21.1.2 Members of the SMS who are seconded for a period of three (3) months or longer during the performance cycle must ensure that they enter into and sign a new PA with the supervisor at the recipient department within three (3) months of her/his secondment. A copy of the signed PA must be forwarded to the employing department within 30 calendar days. The two departments need to agree on how the performance of the member will be managed over the performance cycle that falls within or overlaps with the secondment period.
- 21.1.3 In the event of National and Provincial elections occurring within the first three (3) months of any financial year, supervisors and members of the SMS must within the first three (3) months following the month of the election, enter into, sign and file their PA with the HRM components for that financial year.
- 21.1.4 It is the responsibility of the member of the SMS as well as the supervisor to ensure that they both sign the PA within the prescribed due date. Failure to sign and complete a PA by either the supervisor or the SMS member on time will result in non-compliance with this policy.
- 21.1.5 The format of a PA at Annexure A and A1 shall be utilised as the basis of PAs and workplans (Annexure B). The PA may be subjected to a validation process as contemplated in paragraph 21.1.2
- 21.1.6 The Batho Pele Principles (BPPs) and Core Management Competencies (CMCs) as reflected below are an integral part to the employee performance element. The BPPs and CMCs must be incorporated in the drafting of the PAs. While the BPPs and CMCs will not be assessed separately, it should be considered in the holistic assessment.

#### 21.1.1.1 Batho Pele Principles

- a. The applicable BPP for KRAs should be determined during the signing and conclusion of the PA. The customer, client and beneficiaries should also be identified at this stage. This integrated approach reflects how the KRA will be achieved while simultaneously demonstrating the BPP in practice.
- b. The BPPs must also be used as criteria when assessing performance of the SMS member. The BPPs are not weighted. However, the evaluation must be informed on the basis of how the BPPs were applied in the execution of the KRAs.

| No | Batho Pele Principles     | Descriptions  |
|----|---------------------------|---|
| 1  | Consultation              | Citizens should be consulted about the level and quality of the public service they receive, and wherever possible, should be given the choice about services that are offered.   |
| 2. | Service standard          | Citizens should be told what level and quality of public service they will receive so that they are aware of what to expect.  |
| 3. | Access                    | All citizens should have equal access to the service to which they are entitled.  |
| 4. | Courtesy                  | Citizens should be treated with courtesy and consideration.   |
| 5. | Information               | Citizens should be given full, accurate information about the public service they are entitled to receive.  |
| No | Batho Pele Principles     | Descriptions  |
| 6. | Openness and transparency | Citizens should be told how national and provincial departments are run, how much they cost and who is in charge  |
| 7. | Redress                   | If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy, and when complains are made, citizens should receive a sympathetic, positive response. |
| 8. | Value for money           | Public services should be provided economically and efficiently in order to give citizens the best possible value for money.  |

**21.1.1.2 Core Management Competencies**

- The approach to CMCs shall be based on the core and process competencies of the SMS Competency Framework as outlined in Chapter 5 of the SMS Handbook and in the Leadership Development Management Strategic Framework (LDMSF) for the SMS. The core competencies focus on functional characteristics that members of the SMS are expected to perform in their roles as leaders and managers in the public service.

(a) There are five (5) Core and Process Competencies:

| CORE COMPETENCIES                   | PROCESS COMPETENCIES  |
|-------------------------------------|---|
| Strategic Capability and Leadership | Knowledge Management<br>Service Delivery Innovation<br>Problem solving and analysis<br>Client Orientation and Customer focus<br>Communication |
| People Management and Empowerment   |   |
| Programme and Project Management    |   |
| Financial Management                |   |
| Change Management                   |   |

**Table 2: Source: SMS Handbook Chapter 5**

- (a) The Core competencies represent the *content* - "*the what*", of what needs to be done by the members of the SMS in demonstration of their leadership and managerial roles and functions. The process competencies represent the *manner* in which the function is performed, "*the how*".
- (b) All of the five core and process competencies are compulsory to the members of the SMS and must be reviewed during the contracting and performance review/assessment for the purpose of identifying any performance gaps or developmental requirements. The CMCs are complementary to the KRAs.
- (c) A table that includes the competency level of the elements of each CMC, a description and possible expected standards is provided in Annexure D in order to guide contracting and to inform the assessment standards.

### 21.1.3 Personal Development Plan (PDP)

1. The PDP shall be compulsory for all members of the SMS and must form part of the PA.
2. The PDP must identify developmental requirements of the member by:
  - (a) Close examination of the CMCs;
  - (b) Identifying job-specific developmental needs;
  - (c) BPP required of the members the SMS; and
  - (d) Deployment to the coalface of service delivery.
3. The member of the SMS and the immediate supervisor must agree on the steps to be taken to address any developmental gaps and shall include the date at which a review of progress will be undertaken. The agreed developmental aspects must be recorded on the PDPs (Annexure C).

### 21.2 Performance Assessments

- 21.2.3 It is compulsory for the members of the SMS to undergo a mid-year (September) review and an annual (March) performance assessment. The mid-year review and annual assessment must be in writing and must be rated/scored to determine the level of performance.
- 21.2.4 The SMS member and the supervisor must finalise and submit the mid-year review to HRM **on or before 30 November** annually. The template in Annexure E must be utilised for the mid-year performance reviews.
- 21.2.5 The annual assessment, for the previous performance cycle must be finalised by the member of the SMS and the supervisor and shall be submitted to HRM **on or before 31 December** annually, of the year in which the performance cycle ended. The annual performance assessment template in Annexure F for DDGs and Annexure F1 for CD and Directors shall be utilised for the annual performance assessments.
- 21.2.6 All members of the SMS must be assessed at the end of the performance cycle, irrespective of whether they have completed the full 12 months in the post, or not. The overall annual performance score for members of the SMS must be subjected to a moderation process. The PA, mid-year review, the annual assessment and supporting documents must be forwarded to the Moderation Committee.
- 21.2.7 The overall assessment outcome obtained will reflect the level of achievement attained by the SMS member and may be used to inform decisions on developmental requirements and performance rewards.

21.2.8 The confirmation of appointment following the probation process is separate from the annual assessment and should be managed according to the probation period timeframes and requirements.

### 21.3 Non-Compliance with the Timeframe/due date

21.3.1 Subject to paragraph 21.2.3 and 21.2.4 members of the SMS who do not comply with the due date prescribed in paragraphs 21.1.1-21.1.2 and 21.2.2-21.2.3 above, without showing good cause, will not be eligible for any performance rewards, i.e. pay progression and performance bonus.

21.3.2 The probationary period of newly appointed members who have not signed and filed their PAs with the relevant human resource components within the first three months after appointment, must be extended by the period equivalent to the period of the delay.

21.3.3 An EA may grant approval for the late signing of PAs only in cases where the SMS member was absent on approved leave, for a protracted period spanning the deadline for the signing of the PA, mid-year reviews and annual assessments. Such reasons must be recorded and reported in the annual report.

#### 21.3.2 Request for Deviations

(a) The MPSA may, under justifiable circumstances grant a deviation for members of the SMS from complying with the timeframes/due dates specified in paragraphs 21.1.1-21.1.3 and 21.3.1-21.3.3. Moreover, under certain circumstances the MPSA may also consider granting a deviation from part(s) of the PMDS processes and procedures with or without restrictions.

(b) Requests to the MPSA for deviation from the deadline on the signing of PAs, other than reasons in paragraph 21.3.3, must be submitted within (3) months after the deadline of submission of PAs. Requests for deviation on the mid-year reviews and annual assessments must be submitted on or before 31 December annually. No request for deviation will be considered by the MPSA after the specified due date.

### 21.4 PERFORMANCE ASSESSMENT CRITERIA

21.4.1 The PA contains KRAs, information on the aspects of organisational performance (APP) and AG's Opinion and Findings. These form the basis on which the performance of DDGs and other categories of the SMS will be assessed.

### 21.5 RATING CATEGORIES AND DESCRIPTORS

21.5.1 **Employee Performance (KRAs)** - a four (4) point rating scale (1-4) will be used to assess the achievement of the KRAs. The onus is on the member of the SMS to prove he/she performed at a fully effective (3) or highly effective (4) rating. SMS members who have allocated a score of four (4) to a KRA must provide a Portfolio of Evidence (PoE) or detailed motivation to justify their scoring. The same shall apply to the supervisor who increases an employee rating to a rating of 4. The transversal application of the Batho Pele principles and CMCs should be taken into consideration when appraising the KRAs.

## 22.1 KRA Rating scale and Descriptors

| RATING        | CATEGORY                           | DESCRIPTION   |
|---------------|------------------------------------|---|
| 1             | <b>NOT EFFECTIVE</b>               | Performance does not meet the expected standard for the job. The review / assessment indicates that the jobholder has achieved <u>less than fully effective results against <b>all or almost all</b></u> of the performance criteria and indicators as specified in the Performance Agreement and Workplan.   |
|               | DDGs<br>69% and below              |   |
|               | CD and Directors<br>66% and below  |   |
| 2             | <b>PARTIALLY EFFECTIVE</b>         | Performance meets some of the standards expected for the job. The review/assessment indicates that the jobholder has achieved <u>less than fully effective results against (partially achieved) <b>more than half</b></u> of the performance criteria and indicators as specified in the Performance Agreement and Workplan.  |
|               | DDGs<br>70% - 99%                  |   |
|               | CD and Directors<br>67% - 99%      |   |
| 3             | <b>FULLY EFFECTIVE</b>             | Performance fully meets the standard expected in all areas of the job. The review / assessment indicates that the jobholder has achieved as a minimum <u>effective results against <b>all</b></u> of the performance criteria and indicators as specified   |
|               | DDGs 100% - 114%                   |   |
| <b>RATING</b> | <b>CATEGORY</b>                    | <b>DESCRIPTION</b>  |
|               | CD and Directors<br>100% - 119%    | in the Performance Agreement and Workplan.  |
| 4             | <b>HIGHLY EFFECTIVE</b>            | Performance far exceeds the standard expected of a jobholder at this level. The review/assessment indicates that the jobholder has achieved <u>above fully effective results against <b>all or more than half</b></u> of the performance criteria and indicators as specified in the PA and Workplan and maintained this in all areas of responsibility throughout the performance cycle. |
|               | DDGs<br>115% and above             |   |
|               | CD and Directors<br>120% and above |   |

## 22.2 Organisational performance based on the APP

A four (4) point rating scale (0-3) shall be used to interpret the performance level of the Branch performance. The APP score will be calculated as a percentage of actual APP targets achieved.

### 22.2.1 Rating Scale and Descriptors

| <b>APP SCORING</b> |   |
|--------------------|---|
| <b>RATING</b>      | <b>DESCRIPTION</b>                                |
| <b>0</b>           | Did not achieve any of the planned APP targets    |
| <b>1</b>           | Achieved less than 59% of the planned APP targets |
| <b>2</b>           | Achieve between 60% - 79% of the planned targets  |
| <b>3</b>           | Achieve 80% or more of the planned APP targets    |

### 22.3 Auditor-General's Opinion and Findings

A five-point rating scale (0-4) will be used. In scoring this element, the individual SMS member's contributions on the financial performance of the department/programmes must be considered.

#### 22.3.1 Rating Scale and Descriptors

| <b>AG Report Category</b>                           | <b>Description</b>   | <b>Rating</b> |
|---|--|---------------|
| <b>Disclaimer</b>                                   | There is a lack of sufficient appropriate audit evidence to the extent that the auditor is <u>not able</u> to form an opinion<br><br>This is not a "clean" audit opinion and is the <u>worst type of audit outcome</u> . Due to the lack of evidence, the auditors cannot form an opinion on the financials. | 0             |
| <b>Adverse opinion</b>                              | The auditor disagrees with the representation made by management in the financial statements to the extent of confirming that it is NOT a fair reflection of the financial   |               |
| <b>AG Report Category</b>                           | <b>Description</b>   | <b>Rating</b> |
|   | position. This is <u>not a "clean" audit opinion and indicates that the evidence obtained by the auditors does not agree to the figures disclosed in the financials.</u>   | 1             |
| <b>Qualification (except for)</b>                   | The auditor concludes that, except for specifically listed material errors, the financial statements remain a fair reflection. This is not a "clean" audit opinion, but with a little additional effort, this can become an unqualified audit opinion.   | 2             |
| <b>Unqualified audit opinion with other matters</b> | The financial statements are unqualified but there are other matters, which signify "red flags" Although these have not yet led to a qualification, they may – if not fixed – lead to a qualification in future years.   | 3             |

|   |   |          |
|---|---|----------|
| <p><b>Unqualified audit opinion with no matters</b></p> | <p>This is when the auditor comes to the conclusion that the financial statements present fairly, in all material respects, the financial position of the auditee (also referred to as a “clean” opinion).</p> <p>THIS IS THE IDEAL AUDIT OUTCOME</p> | <p>4</p> |
|---|---|----------|

22.3.2 The rating/score of KRAs and APP targets shall be in whole numbers for both the mid-year reviews and annual assessments.

22.3.3 An overall rating for the performance cycle shall be in accordance with the assessment rating calculator for DDGs (hard copy at **Annexure G**) and other categories of members of the SMS (hard copy at **Annexure H**). Electronic copies of the calculators will be available on the DPSA website.

**23 DISAGREEMENTS AND DISPUTE RESOLUTION**

23.1 Disputes on matters pertaining to the PMDS for members of the SMS, including DDGs, shall be dealt as follows:

23.1.1 Disputes on the signing of PAs will be dealt with in terms of Regulation 72(4)(5)&(6) of the Public Service Regulations, 2016.

23.1.2 The supervisor and the member of the SMS must agree on a mutually acceptable person to resolve any disputes that might arise on *all other* matters relating to PMDS for members of the SMS including DDGs. An individual within the department should be considered as a first option.

23.1.3 In the event that, the mediation process fails, the members of the SMS and the supervisor shall indicate in writing the nature of the disagreement. Thereafter, they shall sign the performance assessment and forward it to the Departmental Moderation Committee (DMC). **Note:** the supervisor and SMS member shall provide detailed written motivations on their respective assessments scores.

23.1.4 Failing to resolve matters in terms of the process in paragraphs 23.1.1 to 23.1.3 above, the grievance procedure in Chapter 10 of the SMS Handbook must be followed.

**24 MODERATION PROCESS**

24.1 Performance assessments for all members of the SMS must be subjected to a moderation process. The moderation process consists of three structures, namely the SMS level 13, SMS level 14 and DDG Moderation Committees (MC) (compulsory).

**24.2 SMS PERFORMANCE MODERATING COMMITTEE (LEVELS 13 and 14)**

**24.2.1 Role of the SMS Moderating Committee**

- a. The MC shall assist the EA to quality assure the PAs of members of the SMS and ensure that it lays a fair basis for the assessments. The MCs shall therefore convene at least twice a year, to quality assure PAs and to moderate the performance assessment results. The members to these MCs shall be appointed in writing.



- b. The MC shall preside over and monitor the implementation of the PMDS policy to ensure consistency, fairness, equity and transparency to protect the credibility and integrity of the process and system.
- c. The MC shall moderate the performance assessment results against the departmental and programme performance. During this process, it is important to consider the individual SMS member's contributions towards the achievements of the organisational objectives.
- d. The MCs may change the assessment scores of members of the SMS. The department's Annual Report and AG's Opinion and Findings shall be used by the MC to corroborate and allocate appropriate scores.
- e. If the member of the SMS and the supervisor do not agree on the assessment score, a written submission confirming this shall be presented by the supervisor to the MC to make a final decision on an assessment score. The committee shall consider both representations and propose a final decision on an assessment score per KRA and on the resulting overall score. The decision of the committee will be final.
- f. The MC shall make recommendations to the EA on the level of performance of the members of the SMS, including DDGs. The moderation process shall be finalised on or before 30 January annually.
- g. The EA must ensure that the outcomes of the moderated performance assessment results are implemented within twelve (12) months after the end of the performance cycle (i.e. by 31 March of the following financial year).

### **24.3 DEPUTY DIRECTOR GENERAL'S (DDGs) PERFORMANCE MODERATING COMMITTEE**

#### **24.3.1 Role of the DDGs Moderating Committee**

The Committee role shall include the following:

- a. The MC shall assist the EA to quality assure the PAs of members of the SMS and ensure that it lays a fair basis for the assessments. The MCs shall therefore convene at least twice a year, to quality assure PAs and to moderate the performance assessment results. The members to these MCs shall be appointed in writing.
- b. The MC shall preside over and monitor the implementation of the PMDS policy to ensure consistency, fairness, equity and transparency to protect the credibility and integrity of the process and system.
- c. The MC shall moderate the performance assessment results against the departmental and programme performance. During this process, it is important to consider the individual SMS member's contributions towards the achievements of the organisational objectives.
- d. The MCs may change the assessment scores of members of the SMS. The department's Annual Report and AG's Opinion and Findings shall be used by the MC to corroborate and allocate appropriate scores.
- e. With specific reference to the performance assessment of DDGs, if the assessments scores allocated by a DDG and the supervisor for the APP and AG's opinion and findings elements do not correspond with the information contained in the annual report as verified by the AG, the MC may correct the score of the individual DDG for these elements. In such instances, the supervisor and DDG must be informed and provided with reasons on the decision of the MC.

- f. If the member of the SMS and the supervisor do not agree on the assessment score, a written submission confirming this shall be presented by the supervisor to the MC to make a final decision on an assessment score. The committee shall consider both representations and propose a final decision on an assessment score per KRA and on the resulting overall score. The decision of the committee will be final.
- g. The MC shall make recommendations to the EA on the level of performance of the members of the SMS, including DDGs. The moderation process shall be finalized on or before 30 January annually.
- h. The EA must ensure that the outcomes of the moderated performance assessment results are implemented within twelve (12) months after the end of the performance cycle (i.e. by 31 March of the following financial year).

## **25 Acting in a Higher Position**

- (a) Members of the SMS who are appointed to act in a higher position for three (3) months or longer, must revise their PA and workplan to include the new roles and responsibilities within 30 days from the date of appointment.
- (b) Members of the SMS who are acting in the position of Director-General (DG) or HOD, for a period of three (3) months or longer, are not required to sign a PA as an HOD or to submit their PAs to the institutions tasked with receiving those for DGs or HODs.

## **26 FORFEITING OF PERFORMANCE INCENTIVES**

Members of the SMS, including DDGs will forfeit performance incentives they may have been eligible for in the following circumstances:

- a. Failed to sign their PA within the prescribed due date.
- b. Failed to finalise and submit the mid-year review to HRM on or before 30 November.
- c. Failed to finalise and submit the annual assessment to HRM on or before 31 December.

## **27 RECORDING AND REPORTING PERFORMANCE RELATED DATA**

Information on the performance management of members of the SMS must be captured on the PERSAL system or on a system prescribed by the MPSA. These include the signing of PAs, mid-year and annual assessment scores.

The DPSA may arrange with National Treasury for the introduction of compulsory/mandatory fields on the PERSAL system for the capturing of employees' performance management information.

## **28 HEAD OF DEPARTMENT PERFORMANCE MANAGEMENT AND DEVELOPMENT FRAMEWORK**

- a. The performance management system for HODs integrates the management of individual performance with the management of organisational performance. It is designed to link the HOD's PA to the department's strategic plan and the government mandate and/or priorities. In addition, it will also serve as a tool to monitor, evaluate and connect the individual performance outcome with the organisational performance results.

- b. Various management control tools shall be used to validate the performance outcome of HODs such as the Auditor-General's (AG) Report and the departmental Annual Report (AR). It will require an HOD and relevant EA to periodically review and assess the HOD's performance progress against the predetermined standard and measurement and to take appropriate corrective action, where deviations have been identified.

### **28.1 Key Dimensions of the HOD PMDS**

The HODs performance management system is characterized by the following (four) overarching elements:

- (a) Employee performance,
- (b) Key Government Focus Area (KGFA),
- (c) Organisational Performance based on the Annual Performance Plan (APP), as reported in the Annual Report
- (d) Auditor General's Audit Opinion and Findings
- (e) The performance contracting and assessments of HODs who are not Accounting Officers will include the employee performance element and organisational performance (APP).
- (f) The employee performance will comprise 80% and the organisational performance based on the APP will count 20% towards the final assessment score.

As illustrated below the overall HOD performance assessment shall, in terms of this methodology be based on an integrated approach encompassing:

- a. Employee performance and will comprise 40% of the final performance evaluation score;
- b. KGFA will comprise 20% of the total score;
- c. Performance based on the APP will comprise 20% of total score; and
- d. The Auditor-General's Audit Opinion and Findings will comprise 20% of the total score of the HOD evaluation.



## 29.1 Employee Performance

- 29.1.1** This dimension focuses on the main deliverables in relation to the department's mandate to be contracted for the financial year. These high level deliverables are cascaded from the departmental strategic plan. It details the work that will be performed by the HOD and constitutes Key Result Areas (KRAs).
- 29.1.2** For each KRA specific deliverables must be identified and relevant standards must be agreed on during the performance contracting phase and must be captured in detail in the workplan.
- 29.1.3** Employee performance is weighted at 40% of the overall assessment and the different KRAs can be weighted differently to reflect their importance and complexity. KRAs will be weighted in terms of whole numbers and no single element shall be weighed more than 30% and less than 10%. **Annexure A** provides criteria and standards and describes the manner in which the KRAs shall be evaluated using a four point rating scale.
- 29.1.4** The Batho Pele Principles (BPPs) and Core Management Competencies (CMCs) as reflected below are integral to this dimension. In drafting the PA and conducting the assessment, the HOD should incorporate both BPPs and CMCs and this will be assessed. Questions in this regard will be provided in the guideline.

## 29.2 Batho Pele Principles

- 29.2.1** The applicable BPP for KRAs shall have to be determined during the signing and conclusion of the PA. The customer, client and beneficiaries should also be identified at this stage. This integrated approach reflects how each KRA was achieved while simultaneously demonstrating the BPP in practice.

| No | Batho Pele Principles     | Descriptions   |
|----|---------------------------|--|
| 1  | Consultation              | Citizens should be consulted about the level and quality of the public service they receive, and wherever possible, should be given the choice about service that are offered. |
| 2. | Service standard          | Citizens should be told what level and quality of public service they will received so that they are aware of what to expect.  |
| 3. | Access                    | All citizens should have equal access to the service to which they are entitled.   |
| 4. | Courtesy                  | Citizens should be treated with courtesy and consideration.  |
| 5. | Information               | Citizen should be given full, accurate information about the public service they are entitled to receive.  |
| 6. | Openness and transparency | Citizens should be told how national and provincial departments are run, how much they cost and who is in charge   |
| 7. | Redress                   | If the promised standard of service is not delivered, citizens should be   |

|    |                 |  |
|----|-----------------|--|
|    |                 | offered an apology, a full explanation and a speedy and effective remedy, and when complains are made, citizens should receive a sympathetic, positive response. |
| 8. | Value for money | Public service should be provided economically and efficiently in order to give citizen the best possible value for money  |

### 29.3 Core Management Competencies

29.3.1 The approach to CMCs is based on the core and process competencies of the SMS Competency Framework as outlined in Chapter 5 of the SMS Handbook and in the Leadership Development Management Strategic Framework (LDMSF) for the SMS. The core competencies focus on functional characteristics that SMS members are expected to perform in their roles as leaders and managers in the public service (**See Annexure B for details**).

29.3.2 There are five (5) Core and Process Competencies and all core competencies are applicable to HODs

| CORE COMPETENCIES                   | PROCESS COMPETENCIES                  |
|-------------------------------------|---------------------------------------|
| Strategic Capability and Leadership | Knowledge Management                  |
| People Management and Empowerment   | Service Delivery Innovation           |
| Programme and Project Management    | Problem solving and analysis          |
| Financial Management                | Client Orientation and Customer focus |
| Change Management                   | Communication                         |

29.3.3 The Core competencies represent the *content* - "the what", of what needs to be done by SMS members in demonstration of their leadership and managerial. roles/function. The process competency represents the manner in which the function is performed, "the how"

29.3.4 The CMCs focuses on the actual behaviour displayed by the HOD in achieving departmental goals and managing resources. Although it will not be directly assessed, the CMCs must be incorporated and assessed in an integrated manner for the KRAs, and KGFA of the PA for the HoD similar to BPP. The competencies shall form the basis for performance improvement and shall inform the areas of development contained in the Personal Development Plan (PDP) for HODs.

29.3.5 The CMCs shall be reviewed and discussed during the performance contracting, as well as the mid-year and annual performance assessments to identify possible developmental requirements. The HOD and relevant EA shall agree on the relevant CMCs that need to be improved or strengthened and included in the PDP.

### 29.4 Key Government Focus Areas (KGFA)

29.4.1 This dimension focuses on key Government focus areas in the public service which HoDs must contract for and will be assessed against. These focus areas may be amended from time to time by the MPSA. The MPSA will issue separate directives to give effect to any amendments to these focus areas. The weighting of the different activities and outputs under each of the focus areas will be prescribed by the MPSA for purposes of assessment and scoring. The following KGFA's are included in the HoD's PA.

**(i) Integrated Governance.**

This element shall focus on how the HOD has contributed and integrated the work of the department with that of the relevant clusters. Information provided by Outcome Facilitators in DPME and Cluster Chairs can be used as base evidence for assessments. For provincial departments, the Office of the Premier shall provide such information.

**(ii) International and Regional Integration\*.**

This element shall focus on how the HOD has contributed and integrated the work of the department with relevant international and regional institutions. This will be motivated by individual HoDs and included in PAs.

*(\*certain provincial departments would not have any activities that relates to this area. In that case the weight of the other areas must be adjusted to ensure that it adds up to 100%)*

**(iii) Implementation of the Minimum Information Security Standards (i.e. MISS) and overall accountability for security at the Department.**

This element shall focus on how the HOD has managed information and security of the department as defined in the MISS. This will be motivated by individual HoDs and included in their PAs.

**(iv) Supply Chain Management.**

This element shall focus on how the HOD manages compliance with procurement policies and processes (e.g. submission of procurement plans contract management, paying suppliers within 30 days). Data from relevant Treasury and DPME and AGSA can be used as baseline evidence for assessments

**(v) Diversity and Transformation Management.**

This element shall focus on how the HOD has managed the department with regards to progress made towards achieving equity targets and improving working relations amongst a diverse workforce. Data from DPSA and DPME can be used as baseline evidence for assessments.

29.4.2 The KGFA are weighted at **20%** of the overall assessment. **Annexure C3.1, C3.2, C3.3, C3.4 & C3.5** provides criteria, standards and describes the manner in which the priority areas will be evaluated using a four point rating scale.

**29.5 Annual Performance Plan**

29.5.1 The APP covers the financial year of the performance cycle, in the MTEF period. The APP sets out what the department intends doing in the upcoming financial year and during the MTEF period to implement its strategic plan. It, therefore, sets out performance indicators and targets for budget programmes and sub-programmes, where relevant, to facilitate the realization of its goals and objectives set out in the strategic plan.

29.5.2 For the purposes of assessment, only the performance indicators and targets for the relevant year of the APP are monitored and assessed. The performance achievements of a department in terms of the APP targets are reflected in the audited annual report and this should inform the performance assessment of the HOD.

29.5.3 The APP dimension linked to the AR results will comprise **20%** of the final total score in the performance assessment of the HOD. A four point rating (i.e. 0-3) scale will be used to assess achievement against the APP. The audited annual report of the department shall be used in the evaluation of the HOD by the Presidency supported by the DPME.

## **29.6 Auditor General's Findings and Opinions**

29.6.1 Taking into consideration that a HOD's PA is directly linked to the department Strategic Plan (SP) and APP. It is important for HODs to ensure that the financial statement is free from material misstatements. Furthermore, that there are no material findings on non-compliance with legislation and there are key internal measurements controls to achieve a clean audit report.

29.6.2 The AG report/findings is an appropriate mechanism to validate the performance outcome of the HODs. Audit results should not be seen in isolation, but should form an integral part in management's monitoring and evaluation of the HOD's activities.

29.6.3 HoDs may include improvements in AG findings as a goal under the Employee Performance dimension to be considered during assessment.

29.6.4 The Audit Opinion and findings of the AG will be scored and will comprise 20% of the total score of the HOD assessment and evaluation (See Annexure D)

## **29.7 HOD Performance Management Timelines and Activities**

29.7.1 The performance management cycle for HODs will run for a twelve month period commencing in April annually and concluding at the end of March of the following year. The HOD's performance management cycle will be linked with departmental strategic and budget planning period. During this period, the HOD and relevant EA shall enter into a PA, monitor and evaluate the performance results.

29.7.2 The process flow in the performance cycle of the HOD is outlined in **Annexure E**.

### **29.7.3 HOD Performance contracting and assessments**

#### **29.7.4 Entering into Performance Agreement and compliance**

29.7.5 All HODs must enter into and sign a PA with the relevant EA and lodge a signed copy of the PA with the DPME and PSC on or before 30 April of each financial year. Newly appointed or transferred HODs must conclude and sign their PAs within three months from the date of appointment. The signed copy of the PA of newly appointed or transferred HODs must be lodged with the DPME and PSC within three months after the date of appointment or transfer of the HOD. A new PA is required for every performance cycle.

29.7.6 In the event of National and Provincial elections occurring within the first three (3) months of any financial year, HODs must sign and file their PAs with the DPME for that financial year, within three (3) months following the month of the elections. This period will enable HODs to review and make the necessary amendments that may emanate from the changes of the government priorities which impact on the APP.



- 29.7.7 The relevant EA and HOD shall enter into a PA, identifying appropriate measures and targets against which the HOD's performance will be assessed. The agreement shall outline the four dimensions of HOD PMDS for a specific financial year. The agreement must be signed by both the relevant EA and HOD and a copy submitted to the DPME on or before the stipulated date.
- 29.7.8 If there is a disagreement between the relevant EA and HOD on the content of the PA, the unsigned PA must still be submitted to the DPME and PSC. A cover letter submitted by the departmental HR should be attached to the PA stating the reason for the non-signing of the PA. The disagreement on the signing of the PA must be dealt with in terms of paragraph 20.8.5 (paragraph number align) below.
- 29.7.9 The PA template (Annexure C) makes provision for the following mandatory documents that must be completed and submitted by the HOD, workplan (Annexure C.1), PDP (Annexure C.2) and KGFA's (Annexures C.3.1-3.5)

### **30 Validation of the Performance Agreement**

For national departments, HODs shall file their signed PA with the DPME and provincial departments with the Office of the Premier. The DPME and Offices of the Premiers will conduct quality assurance on the PA. If the PA does not meet the quality standard, it shall be returned to the relevant EA/HOD for revision and resubmission. Comments from DPME must be considered and the revised PA must be re-submitted by the indicated due date.

### **31 Performance Assessments**

- 31.1 The relevant EA must conduct the compulsory mid-year review and annual assessment with the HOD. These must be in writing and the performance of the HOD shall be rated (scored) using the HOD PMDS calculator. A signed copy must be attached to the documentation.
- 32.2 The rating/scoring of Employee Performance and KGFA's shall be in whole numbers for both the mid-term review and annual assessments.
- (a) HODs and relevant EAs must ensure that the mid-year assessment is finalised and submitted to DPME by 30 November of each financial year, and
  - (b) The annual performance assessment between the relevant EA and HOD must be finalised within nine (9) months after the end of a performance cycle (i.e. April – 31 December). The annual assessment meeting should not be postponed more than once by either the relevant EA or HOD.
  - (c) Evaluation panels must be finalised within four (4) months (September - 31 December) after the publication of Annual Report.
- 32.3 If there is a disagreement on the assessment score or if the relevant EA did not conclude and/or sign the performance assessment by 31 December, the HOD may forward the assessment form to the DPME and PSC. A cover letter should be attached to the assessment form indicating the reason for the non-signing or non-concluding of the HOD's performance assessment by the relevant EA.
- 32.4 **Mid-year Performance Review**
- 32.4.1 A mid-year performance is necessary to ensure ongoing monitoring, support and continuous assessment of performance between the HOD and relevant EA. A formal performance review between the relevant EA and the HOD shall be conducted in the middle of the performance cycle, i.e. September to November for the performance period April to September.

- 32.4.2 This performance review will only focus on assessing progress made against the employee performance and KGFA's. It will include the review of management competencies to determine any developmental areas or requirements.
- 32.4.3 It is important to realise that there must be flexibility when agreeing on performance measures and targets. There should be a mutual understanding that the PA may have to be adjusted during the course of the performance cycle because of circumstances beyond the control of the HOD; or where a change in circumstances resulted in the original performance targets being revisited or no longer being valid. A process of re-planning and reformulation of more realistic performance targets should be entered into, emanating in a revised PA, which must immediately be lodged with the DPME and PSC.
- 32.4.4 The mid-year performance review template in **Annexure F** shall be utilised when conducting a mid-cycle performance review.
- 32.4.5 The final score for an HOD's mid-year performance review will focus on the employee performance and the KGFA's.
- 32.4.6 Aspects of poor performance shall be dealt with immediately and be reported to the DPSA and the Presidency or Office of the Premier.

### 33 **Annual Performance Assessment**

- 33.1 The annual performance assessment of the HODs shall follow an integrated approach, and will be conducted after the performance cycle but by no later than 31 December.
- 33.2 The relevant EA and HoD shall conduct an annual performance assessment and discuss the HODs achievement, agree on scores and sign off on the assessment. Both Employee Performance and KGFA informed by the BPP and CMC integration and based on the predetermined measures/standards and targets in the PA and the workplan shall be assessed using the four point rating scale.
- 33.3 All HODs must be assessed for a performance cycle, irrespective of whether they have completed a full 12 months in the post, or not. The mid-year review, the annual assessment documentation together with any other documentation stipulated by the Presidency should be forwarded to DPME. The Annual Performance Assessment Template in **Annexure G** shall be utilised by the relevant EA when conducting an Annual performance Assessment.

### 34 **The HOD Performance Evaluation Process**

#### 34.1 **Appointment of Evaluation Panel**

- 34.1.1 The Director-General (DG) in the Office of the Premier, in consultation with the relevant EA, shall appoint and chair evaluation panels of HODs for provincial departments.
- 34.1.2 The Presidency via the DPME and Office of the Premier shall provide the secretariat function for the provincial annual evaluation. The Presidency via the DPME shall issue guidelines in this regard.

**35 Final Performance Evaluation Result for the HOD**

- 35.1 Subject to paragraph 16.2 below, the final score for HODs shall include the employee performance, KGFA's, APP as per the annual report and the AG Audit Opinion and Findings (See **Annexure H**).
- 35.2 For HODs who are not Accounting Officers as provided in section 36(3) of the PFMA, the final assessment may exclude the element of KGFA's and AG audit opinion and findings. A separate assessment calculator shall be used to calculate the final score of these HODs
- 35.3 The relevant EA shall take into account the recommendation of the panel in making the final decision on the HOD's performance. The EA shall be required to respond to the panel within 30 days, if no response is received it shall be regarded that the relevant EA concurs with the recommendation of the panel, which will then become the final result.
- 35.4 EA's final decision in relation to the HODs performance assessments shall be limited to the employee performance and government priorities components and no changes shall be made to the AG's Audit Opinion and Findings and the APP aspect as contained in the Annual Report.

**36 Managing the Outcomes of Performance Assessment and Evaluation**

- 36.1 EAs may use performance assessment and evaluation results to make decisions in a range of areas, such as:
- (a) Confirmation/non-confirmation of appointment of the HOD
  - (b) HOD developmental needs
  - (c) Access to career development opportunities for the HOD
  - (d) Initiation of incapacity procedures.
  - (e) Rewarding and recognising performance
- 36.2 **Unsatisfactory performance** –Where the outcome of a performance review, Annual Assessment or Performance Evaluation reflects poor performance the processes outlined in **Annexure I** will be followed in conjunction with the **Chapter 7 of the SMS Handbook**, which contains the procedures that must be applied in the cases of misconduct, incapacity due to poor performance and incapacity due to ill health.
- 36.3 **Performance Reward and Recognition** – Relevant EAs shall base their decision to award incentives to HODs on the directive issued by MPSA in terms of the Incentive Policy Framework.

**37 Forfeiting of Performance incentives**

- 37.1 HODs who have not submitted documents for their assessment and failed to submit it to the relevant EA, and/or failed to finalise or communicate to the Presidency, DPSA or the Office of the Premier and the PSC, where applicable the challenges in finalising their assessment within nine (9) months (31 December), will forfeit performance incentives (pay progression and performance bonus) that they may have been eligible for

**38 Disputes on Matters Relating to the PMDS**

38.1 Disputes on matters related to the PMDS for HODs shall be dealt as follows:

- 38.1.1 Disputes on the signing of performance agreements will be dealt with in terms of Regulation 72(4) of the Public Service Regulations, 2016.
- 38.1.2 The DG in the Office of the Premier and the Chair of the PSC must intervene in disputes on all other matters relating to the PMDS for, HODs of provincial departments and the DGs in the Premiers Office.
- 38.1.3 Failing to resolve matters in paragraphs 38.1.1 and 38.1.2, the Grievance Procedure in Chapter 10 of the SMS Handbook must be followed.

**39 Role and Responsibility****39.1 The role of DPISA**

- (a) Provide directives for the HODs Performance Management Development system.
- (b) Support and advise the MPISA and DG DPISA in fulfilling her/his responsibilities with regard to the HOD PMDS.
- (c) Provide support and advice to departments on the HOD's performance management and evaluation system.
- (d) Liaise with Presidency, DPME, PSC and Premier's Office to determine, develop and refine the HOD's PM and Evaluation Framework.
- (e) Provide support and advice to role players in dealing with disputes.

**39.2 The role of the Presidency**

- (a) Appoint the evaluation panel for national departments.
- (b) The DG in the Presidency shall chair the evaluation panel for Heads of Departments in national departments.
- (c) The DG in the Presidency shall intervene in disputes of HODs in the national departments.

**39.3 The role of the Public Service Commission**

- (a) Chair the evaluation panels for the DG in the Presidency and DGs of Provincial Administrations.
- (b) Investigate grievances pertaining to the outcome of performance evaluations for HODs.
- (c) The Chairperson of the PSC will intervene in disputes of the DG in the Presidency and DGs in the Offices of the Premiers.

**39.4 The role of DPME**

- (a) Support the Presidency in the establishment of Evaluation Panels for HODs of national departments.
- (b) Facilitate the assessment of the HODs, including the DG in the Presidency.
- (c) Act as custodian of the signed agreements, and should ensure that all relevant EAs submit the signed PAs by the stipulated date.
- (d) Monitor the effective implementation of the HOD's PMDS.

- (e) Conduct quality assurance on the PAs of HODs.
- (f) Develop and issue guidelines on HOD evaluations.
- (g) Provide a secretariat function during HOD evaluations
- (h) Deal with disputes on PA and assessments score between the HOD and his/her supervisor.
- (i) Report to DPSA on compliance, quality, management of unsatisfactory performance and performance rewards.

### 39.5 The role of the Office of the Premiers

- (a) Provide the secretariat function during the evaluation of the provincial HODs.
- (b) Appoint evaluation panel members and Chair evaluations meetings.
- (c) Oversee compliance of HOD's PMD System and take appropriate measures.
- (d) Conduct quality assurance on the PAs of HODs.
- (e) The DG in the Office of the Premier will intervene in dispute of HODs in the provincial departments.
- (f) Any other aspect to support DPME and the DG of the province in the evaluation process.

### 39.6 The role of the Relevant EA:

- (a) Ensure that there is an appropriate and valid strategic plan as well as a departmental operational plan in place, to guide the development of PAs.
- (b) Ensure that a PA is entered into and copies are submitted to the DPME within the defined timeframe. The original is kept at the department.
- (c) Conduct the performance review for their HODs.
- (d) Complete the assessment form and submit it to DPME.
- (e) Participate and support in the evaluation of their HODs and communicate the results to the HOD.
- (g) Make decisions on the performance of the HOD based on recommendations from the Evaluation Panel.
- (g) Deal with grievances/disputes.
- (h) Manage unsatisfactory performance.
- (i) Reward and recognise good performance.

### 39.6 The role of the HOD:

- (a) Develop her/his PA and submit to relevant EA for approval
- (b) Ensure that there is alignment between the strategic plan and his/her PA, which shall be cascaded to senior managers.
- (c) Meet contracting and assessment timeframes established by the relevant EA.
- (d) Report to the relevant role player any disagreement or dispute that cannot be resolved.

## 40. INSTITUTIONAL MANAGEMENT AND ADMINISTRATION FRAMEWORK

### 40.1 Executive Authority

- (a) Communicates the vision, mission and strategic direction.
- (b) Communicates the strategic and operational plans.
- (c) Oversees the process of design and implementation of work plans.
- (d) Serve as an appeal authority for disagreement emanating from PMDS.

#### 40.2 Head of Department

- (a) Creates environment conducive to PMDS implementation.
- (b) Communicates his/her performance agreement to senior staff members for cascading to lower levels.
- (c) Facilitates ongoing review of performance against set targets.
- (d) Ensures that the system is implemented in line with legislative and policy frameworks. Develops departmental strategic plan
- (e) Allocates budget for rewarding and recognizing good performance.
- (f) Mediates over disagreements between supervisors and employees.
- (g) Provides decision-making on recognition/reward for good performance.
- (h) Ensures that all necessary resources to facilitate performance are made available and accessible

#### 40.3 The Branch Manager/Deputy Director General

- (a) The branch manager and the other delegated senior managers are responsible for developing the branch or component business plans that is derived from the departmental strategic and business plans.
- (b) She/he is also responsible for determining the Key Result Areas (KRA's) for the component manager's based on those assigned by the Head of Department (HOD) and those indicated in branch objectives.
- (c) The branch manager will usually supervise the component Manager's performance agreement.

#### 40.4 The component Manager/General Manager

- (a) The component manager is responsible for the Branch objectives and for ensuring that subcomponent develop business plans based on the objectives.
- (b) The component manager also ensures that sub - components have defined objectives, outputs, targets and staff to carry the responsibility and the budget to fund the activity.

#### 40.5 The sub-component Manager/Senior Manager

- (a) The sub-component Manager is responsible for the specific objective of the component assigned by the Branch Manager and the Component Manager.
- (b) The Sub-Component manager defines the Sub-Component 's objectives, outputs, targets and the responsible individual and budget allocation.
- (c) The Sub-Component manager will also agree on the KRAs and GAFs for middle and junior management staff in the unit.

#### 40.6 Chief Financial Officer

- (a) Decentralizes budget regarding performance management to the respective responsibility managers
- (b) Ensures that all Senior Managers have budgeted for performance management linked expenditure.

#### 40.7 Senior Manager: Human Resources Management (HRM)

This position is responsible for ensuring that-

- (a) The system is made available and revisions properly communicated
- (b) A plan is jointly developed with the Human Resources Development (HRD) unit for the training of trainer's as well as the training of supervision the implementation of the PMDS
- (c) Regulatory changes likely to affect the PMDS are communicated timeously
- (d) Performance Agreements (PA's) and the employment contract of relevant staff are reconciled where necessary.
- (e) Dates for submission of PA's and review reports and assessment are set.
- (f) Organized labour is consulted in order to obtain their inputs and feedback on the implementation and review of the PMDS

(g) Ongoing technical support is provided to components and employees.

#### **40.8 Senior Manager: HRD**

- (a) This position is responsible for the following support in respect of the PMDS
- (b) Incorporating identified training needs into the training and skills development
- (c) planning and implementation processes of the department
- (d) Jointly developing and implementing the workplace skills plan for the department in cooperation with the Human Resources Component

#### **40.9 Supervisors**

- (a) Jointly, with employees, develop a work plan that will help achieve the Department's objectives.
- (b) Conduct regular monitoring and review meetings on performance.
- (c) Align the work plan to the respective senior manager's performance agreement.
- (d) Conduct annual appraisal of performance.
- (e) Supervisors are required to identify and then, in line with a developmental approach, deal with poorly performing employees under their supervision.
- (f) They should develop and implement performance improvement plans for unsatisfactory performers. The supervisor must comply with the procedural requirements of PSCBC Resolution 10 of 1999 and Resolution 1 of 2013, the "Incapacity Code".
- (g) Develop and implement, jointly with employees, personal development plans.
- (h) Recommend forms of recognizing and rewarding employee's good performance.
- (i) Address appeals in terms of the appeal procedure.

#### **40.10 Employees**

- (a) Equal participation with supervisors in developing work plans.
- (b) Take responsibility for her/his own personal development.
- (c) Understanding of own job description and responsibilities.
- (d) Understanding of the Department's strategic objectives and how he/she can contribute to achieve these objectives.
- (e) Provide feedback to supervisors on obstacles to achieving agreed objectives/standards.

### **41 Resource implications**

#### **41.1 Financial**

Departments budgeting for PMDS policy implementation must include all performance based financial incentives for the MTEF period which also includes the related resources to implement it.

#### **41.2 Human Resources**

Head Office and district coordination must be strengthened in all institutions. District coordinators must be capacitated by departments to upload PMDS Data to enhance the administration of the system.

#### **41.3 Infrastructure**

PERSAL connectivity in districts must be strengthened to facilitate the PMDS data capturing process

#### 41.4 Monitoring & Evaluation

The Head of Department, Chief Financial Officer and Human Resources Manager is responsible for the monitoring and implementation of this policy in the department. The Head of Department shall be responsible for the submission of annual reports for the implementation of PMDS.

#### 42. Other monitoring and evaluation structures used are:

- 42.1 Public Service Commission (PSC)
- 42.1 Internal Audit Units
- 42.1 Office of the Premier

#### 43. Policy review

This policy shall be reviewed once every three years to determine its effectiveness. All relevant stakeholders shall take part in the review or consulted before changes are made to this policy.

#### 44. Policy Approval

Recommended / Not Recommended

  
\_\_\_\_\_  
Mr M Machemba  
Head of Department

  
\_\_\_\_\_  
Date

Approved / Not Approved

  
\_\_\_\_\_  
Ms B Panta  
Honourable MEC  
Dept. of Social Development

  
\_\_\_\_\_  
Date



