



Province of the
EASTERN CAPE
SOCIAL DEVELOPMENT

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Review Date	28-02-2026

STANDARD OPERATING PROCEDURE: DEVELOP PERFORMANCE AGREEMENT

TITLE OF SOP	Develop Performance Agreement
SOP Number	PMDS 3/1
Purpose	To outline step by step process of Developing Performance Agreements and monitoring progress towards achievement of set targets.
Scope	This SOP applies to the Eastern Cape Department of social development employees to develop performance agreements.

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Definitions and Acronym	<p>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 KRA : Key Results 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 WA: Workplan Agreement</p>
Performance Indicator	Effective human capital management & development.

STEP BY STEP GUIDE

DEVELOP PERFORMANCE AGREEMENT

Nr	Task Name	Task Procedure	Responsibility	Time Frames	Systems and Supporting Documentation	Service Standard
1.	Develop Departmental Strategic Planning	<ul style="list-style-type: none"> Develop Departmental Strategic Planning on the basis of the election Manifesto priorities of the party which has won the elections. Get a good understanding of current government priorities in terms of the national Medium-Term Strategic Framework (MTSF), provincial MTSF. Receive a five-year cycle performance report (with an analysis of targets met and achieved, challenges and lessons learned for forward planning for the next cycle). Use the audited targets in the previous 5 years' Annual Reports as the basis for planning. 	Director Strategic Planning	5 Months	<ul style="list-style-type: none"> National and Provincial MTSF Strategic Planning documents 	Develop performance contract by all the Department of Social Development employees within 1 month.
2.	Develop Unit Operational Plan	Develop suitable performance measures drawing from the departmental strategic plan, Managers must: <ul style="list-style-type: none"> Agree on the results that the department or institution (directorate) intends to achieve in other words, agree on the problem you seek to remedy. Decide on the outputs that are to be measured. In other words, what does the Department need to do in the short term to achieve the desired outcomes and impacts. Select the most important indicators. 	Unit / Directorates	Within One (1)	<ul style="list-style-type: none"> Strategic Planning Documents Developed Operational Plans 	

STEP BY STEP GUIDE

DEVELOP PERFORMANCE AGREEMENT

Nr	Task Name	Task Procedure	Responsibility	Time Frames	Systems and Supporting Documentation	Service Standard
		<p>Note: There is no need to measure every aspect of service delivery and outputs. Fewer measures may deliver a stronger message. Chosen indicators must be understandable to all who use them; available data must be readily available; and the number of indicators need to be manageable.</p> <ul style="list-style-type: none"> • Set realistic output performance targets against which to measure achievement. <ul style="list-style-type: none"> ➤ Ideally, targets should be set with reference to previous and existing levels of achievement (i.e. current baselines) and realistic forecasts of what is possible. <p>Key Performance Indicators.</p> <ul style="list-style-type: none"> • Ensure that Performance indicators must be consistent in the Annual Report, Strategic Plan and in the Annual Budget. • Ensure that Performance indicators must be (SMART) – Specific, Measurable, Attainable, Relevant & Time-bound. • Include target, quantity, quality, time and area. • Ensure that Performance indicators must have an output and a reliable measure of the output. 				

STEP BY STEP GUIDE

DEVELOP PERFORMANCE AGREEMENT

Nr	Task Name	Task Procedure	Responsibility	Time Frames	Systems and Supporting Documentation	Service Standard
3.	Develop and submit of Performance Agreement	<ul style="list-style-type: none"> • Develop performance agreement by doing the following: <ul style="list-style-type: none"> ➢ Obtain the Job Description. ➢ Obtain the Operational Plans. ➢ Align Relevant template to the employee's functions. ➢ Complete Performance Agreement, Work-plan and Performance Development Plan. • Submission performance agreement to the Supervisor by the 05th April every year. 	Employee	5 days	<ul style="list-style-type: none"> • Operational Plan • Performance Agreement <ul style="list-style-type: none"> ➢ Work plan ➢ Performance Development Plan 	
4.	Quality Assure and sign performance agreement	<ul style="list-style-type: none"> • Quality Assurance the KRA's, alignment of GAF's/with the KRAs, Weights, Indicators/Outputs, Timeframes, Resource requirements / enabling conditions. • Incorporate performance standards. • Verify alignment to the strategic documents (Operational Plans). • Verify performance agreement checklist to quality assure the completion and sign by both parties. • Sign the performance agreement by 13th April every year. • Implement performance agreement. 	Employee and Employer	8 days	<ul style="list-style-type: none"> • Operational Plan • Performance Agreement • Quality assured Performance Agreement signed by both parties <ul style="list-style-type: none"> ➢ Work-plan ➢ Performance Development Plan 	

STEP BY STEP GUIDE

DEVELOP PERFORMANCE AGREEMENT

Nr	Task Name	Task Procedure	Responsibility	Time Frames	Systems and Supporting Documentation	Service Standard
5.	Submit Performance Agreement to PMDS Unit/ HR	<ul style="list-style-type: none"> • Collate signed performance agreements. • Sign covering letter with list of submitted performance agreements for submission to PMDS Unit/HR. • Submit to PMDS Unit/HR by 15th April every year. 	Responsible Supervisors/Manager	2 days	<ul style="list-style-type: none"> • Quality assured Performance Agreement signed by both parties • Submission Register 	
6.	Capture performance agreements on Persal	<ul style="list-style-type: none"> • Verify that performance agreement is dated and signed by both parties. • verify performance agreement checklist to quality assure the completion and sign. • Capture performance agreement for credible data. • File a copy and send the original to the registry for filling. 	PMDS / HR Practitioners	7 days	<ul style="list-style-type: none"> • Quality assured Performance Agreement signed by both parties • Persal Report 	

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LEGISLATION REFERENCES: ACTS OF PARLIAMENT, WHITE PAPERS & REGULATIONS

TYPE OF REFERENCE	REFERENCE DESCRIPTION OR DOCUMENT DESCRIPTION
The Constitution, 1996	Section 195. Basic values and principles governing public administration.-states that (l) Public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles : (h) Good human-resource management and career-development practices, to maximize human potential, must be cultivated.
The Public Service Act, 1994	Section 7 states that the An executive authority has all those powers and duties necessary for- ,(b) the recruitment, appointment, performance management, transfer, dismissal and other career incidents of employees of that department, including any other matter which relates to such employees in their individual capacities, and such powers and duties shall be exercised or performed by the executive authority in accordance with this Act.
The Labour Relations Act, 1995	To provide simple procedures for the resolution of labour disputes through statutory conciliation, mediation and arbitration (for which purpose the Commission for Conciliation, Mediation and Arbitration is established), and through independent alternative dispute resolution services accredited for that purpose;
The Skills Development Act, 1998	Section 2 states the purposes of the Skills Development Act as follows: a) to develop the skills of the South African workforce- (I) to improve the quality of life of workers, their prospects of work and labour mobility; (II) to improve productivity in the workplace and the competitiveness of employers; (III) to promote self-employment; and (IV) to improve the delivery of social services; b) to increase the levels of investment in education and training in the labour market and to improve the return on that investment; c) to encourage employers- (I) to use the workplace as an active learning environment; (II) to provide employees with the opportunities to acquire new skills; (III) to provide opportunities for new entrants to the labour market to gain work experience; and (IV) to employ persons who find it difficult to be employed; d) to encourage workers to participate in learning programmes; e) to improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education; f) to ensure the quality of learning in and for the workplace
The Basic Conditions of Employment Act, 1997	The Basic Conditions of Employment Act 75 of 1997 intends to give effect to the right to fair labour practices referred to in section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment.
The Employment Equity Act, 1998	Affirmative action section 15 (1) (c) states that making reasonable accommodation for people from designated groups in order to ensure that they enjoy equal opportunities and are equitably represented in the workforce of a designated employer;

TYPE OF REFERENCE	REFERENCE DESCRIPTION OR DOCUMENT DESCRIPTION
The Public Finance Management Act, 1999	The object of this Act is to secure transparency, accountability, and sound management of the revenue, expenditure, assets and liabilities of the institutions to which this Act applies.
The Promotion of Administrative Justice Act, 2000	To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.
Public Service Regulations, 2016	Section 71 states that systems for performance management and development states that (1) An executive authority shall approve and implement a system for the performance management of employees, other than employees who are members of the SMS, in his or her department.
Treasury Regulations, 2001	Section 8.1 Responsibility of the accounting officer [Section 76(4)(b) of the PFMA] 8.1.1 states that the accounting officer of an institution must ensure that internal procedures and internal control measures are in place for payment approval and processing. Section 8.2 Approval of expenditure [Section 38(1)(f) and 76(4)(b) of the PFMA] 8.2.1 states that an official of an institution may not spend or commit public money except with the approval (either in writing or by duly authorised electronic means) of the accounting officer or a properly delegated or authorised officer.
Human Resource Management, 1997	Section 5.9 performance management 5.9.1 states that the success of the Public Service in delivering its operational and developmental goals depends primarily on the efficiency and effectiveness with which employees carry out their duties. Managing performance is therefore a key human resource management tool to ensure that: <ul style="list-style-type: none"> ● Employees know what is expected of them. ● Managers know whether the employee's performance is delivering the required objectives. ● Poor performance is identified and improved. ● Good performance is recognized and rewarded.
Transforming public service delivery, 1997	Performance management procedures must in future include assessment of the performance of individual staff in contributing to improving service to the public.
Public Service Training and Education, 1998	5.7.3 Personal Development Plans 5.7.3.1 In order to ensure a needs-based approach to the training and education, personal development plans will be drawn up, where feasible and appropriate, for all members of staff. These will be designed to identify the needs of staff and measures to achieve them, within the context of the individual's overall career progression, as well as within the context of the organisational objectives and priorities of the department or province concerned
Affirmative Action in the Public Service, 1998	Section 3.10 Implementation of and demonstrable support for the organisation's affirmative action policies must be included in each employee's performance assessment criteria.
PSCBC Resolution 13 of 1998 (Performance Agreements)	Purpose This agreement sets the framework for senior managers to agree to individual performance agreements that shall determine their annual increments.




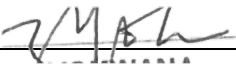

TYPE OF REFERENCE	REFERENCE DESCRIPTION OR DOCUMENT DESCRIPTION
PSCBC Resolution 3 of 1999 (Performance related financial rewards and incentives)	Remunerative allowances and benefits states that the employer and the trade unions wish to enter into the agreement that regulates remuneration, allowances and benefits. The current dispensation on merit bonuses and other forms of recognition of outstanding performance, innovations or achievements shall remain in force until the parties negotiate, in line with the requirements of the Labour Relations Act of 1995, a new agreement on the topic.
PSCBC Resolution 7 of 2000 (rank/leg promotions & pay progression system)	To establish processes to develop new, more equitable benefits, career paths and pay progression for all employees in the public service.
PSCBC Resolution 9 of 2000 (performance agreements, SMS)	To extend Resolution No. 13 of 1998 that sets the framework for managers to agree to individual performance agreements. As such this agreement does not seek to diminish any existing rights of senior managers.
PSCBC Resolution 2 of 1999 (disciplinary code)	The purpose of this Code and Procedures is: 1.4 to promote acceptable conduct;
PSCBC Resolution 10 of 1999 (incapacity code)	The purpose of this code and procedures is to: 1.1 assist employees overcome poor performance, 1.2 promote efficient and effective performance, 1.3 avert and correct inadequate performance, 1.6 give reasonable assistance to employees who are incapable of performing in accordance with the needs of their jobs

RISKS

Risk Name	Risk Description	Probability (H/M/L)	Impact (H / M / L)	Control Description	System / Manual
Non compliance	Non compliance of officials in submission leads to no credible data.	M	M	Constant Reminder to all Department Officials by PMDS unit.	Manual
Non alignment with Operational Plans	Non alignment performance contract with Operational Plans results to inadequate management of performance.	M	M	Constant Reminder to all Department Officials by PMDS unit.	Manual

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AUTHORIZATION:

Designation:	Name:	Comments	Signature:	Date:
Director : HRM&D	X.J. Moloti	_____		13/02/2023
Recommended by: Acting CIO -	M.E Gazi	Recommended		14/2/2023
Chief Director: Corporate Services	P.Mwanda -Tali	Recommended		22/02/2023
Recommended by: DDG	Dr.N.Z.G Yokwana	Recommended as requested		22/02/2023
Approved by: HOD	M. Machedemba	Approved		28/02/2023
Distribution and Use of SOP	All Departmental Officials			

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