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Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

**DETERMINATION AND DIRECTIVE ON THE
PERFORMANCE MANAGEMENT AND DEVELOPMENT
SYSTEM OF EMPLOYEES OTHER THAN MEMBERS OF THE
SENIOR MANAGEMENT SERVICE FOR IMPLEMENTATION
WITH EFFECT FROM 1 APRIL 2018**

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1. INTRODUCTION

- 1.1. Section 3 of the Public Service Act, 1994, provides that the Minister for the Public Service and Administration (MPSA) is responsible for establishing norms and standards relating to, among others, employment practices for employees which includes performance management. The MPSA can determine these norms and standards by making regulations, determinations and directives.
- 1.2. In terms of the Public Service Regulations, 2016 (PSR) an executive authority (EA) shall approve and implement a system for the performance management of employees, other than employees who are members of the Senior Management Service (SMS), and may also establish separate Performance Management Systems for different occupational categories or levels of work in his or her department.
- 1.3. Clause 12.1 of the Public Service Co-ordinating Bargaining Council (PSCBC) Resolution 1 of 2012 (Wage Agreement for 2012/2013), provides that the employer will review the current PMDS for employees on salary levels 1 to 12. The PSR has been amended to give effect to and incorporate the changes in the performance management for employees other than members of the SMS.
- 1.4. Chapter 4, Part 5 of the PSR provides norms and standards on the Performance Management and Development Systems (PMDS) for non-SMS employees which must be included in the departmental PMDS. This Determination and Directive on performance management for employees other than employees who are members of the Senior Management Service (SMS) seeks to elucidate and supplement the PSR as well as to provide guidance to departments on areas requiring revision in their departmental PMDS policies.
- 1.5. National and Provincial departments are expected to review/amend their PMDS policies and align them to the PSR and this Determination and Directive.

2. AUTHORIZATION

- 2.1. This Determination and Directive is issued in terms of sections 3(1), 3(2) and 41(3) of the Public Service Act, 1994 read with regulations 71 and 72 of PSR.

3. SCOPE OF APPLICABILITY

- 3.1. This Determination and Directive is applicable to all employees, other than members of the Senior Management Services (SMS).

4. DATE OF IMPLEMENTATION

- 4.1. This Determination and Directive will be effective from 1 April 2018.

5. COMPLIANCE

- 5.1 Any non-compliance with this Determination and Directive must be dealt with in terms of section 16A of the Public Service Act.

6. PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM FOR EMPLOYEES OTHER THAN SMS MEMBERS

- 6.1. 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.
- 6.2. The PMDS policy for employees other than SMS members shall hinge on the following dimensions:
 - 6.2.1 Key Result Areas (KRAs), describe the core functions or broad area of responsibility of an employee. It is broken down into number of outputs and activities.
 - 6.2.2 Generic Assessment Factors (GAFs), describe the competency requirements taking into consideration the knowledge, skills and attributes relevant to the employee's work.
- 6.3. Departments shall develop their own templates which will be used for performance contracting, review and assessments.
- 6.4. An EA may use a single assessment instrument to assist in deciding on an employee's probation and performance.
- 6.5. Performance Agreements (PAs) or an agreement of similar nature must be signed by both parties (i.e. the employee and the supervisor) for it to be valid and binding.
- 6.6. An employee acting in a higher position shall be assessed 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.
- 6.7. Any deviation from the provisions of the system during the cycle may be approved by the relevant executive authority only if such deviation is not to the detriment of any employee and is not inconsistent with the provisions of the Public Service Act, the PSR and this Determination and Directive.

7. PERFORMANCE AGREEMENT OR AN AGREEMENT OF A SIMILAR NATURE

- 7.1. The PMDS policies of departments shall provide for the employee and supervisor to enter into a performance agreement or an agreement of a similar nature.
- 7.2. All employees shall conclude and sign their Performance Agreements (PAs) or an agreement of similar nature on or before 31 May of each financial year. The relevant supervisor shall ensure that the signed PAs or agreements of similar nature are submitted to their internal Human Resource Management components on or before the end of the first working day following the due date for signing of PAs or agreement of similar nature. The EA or delegated official may include internal departmental timelines in their PMDS policies to ensure compliance with these dates. Newly

appointed employees shall conclude, sign and file their PAs or an agreement of similar nature within three months of the date of appointment and thereafter, within two calendar months of the beginning of each financial year (Regulation 72(1) of the PSR).

- 7.3 An employee who is appointed, seconded or transferred to another post or position at the same salary level must enter into a new PA or agreement of a similar nature for the new post or position within three calendar months of his/her appointment/secondment/transfer (Regulation 72 (2) of the PSR). For seconded employees, a copy of the signed PA or agreement of similar nature must be submitted by the seconding department to the releasing department within 30 days.
- 7.4. An employee who does not comply with the requirements in paragraphs 7.1, 7.2 and 7.3 above, shall not qualify for any performance rewards, i.e. pay progression and performance bonus (Regulation 72(7) of the PSR).
- 7.5. Employees are discouraged from amending a PA or an agreement of a similar nature in the last quarter of a performance cycle (i.e. 1 January to 31 March), unless changes to the employee job description, job grade, organisational structure of the department or its functions or amendments to the objectives and priorities result in significant changes to the content of the job of the employee.
- 7.6. In the case where the amendment of the PA or an agreement of a similar nature is justified, the amended PA or agreement of a similar nature must be accompanied by a written motivation explaining the reasons for the changes. This motivation must be signed by supervisor and the head of the component and submitted to HRM unit to inform and clarify matters of performance during annual assessments and moderation.

7.7. Contents of the PA or an agreement of a similar nature

- 7.7.1. In terms of Regulation 72(3), as a minimum, a PA or an agreement of a similar nature shall include the following:
 - (a) A personnel number, job title, post grade as well as a clear description of the main objectives of the employee's job and the key responsibility areas (KRAs), relevant outputs and competency requirements (GAFs);
 - (b) A workplan containing the outputs, activities and resource requirements; and
 - (c) A personal development plan (PDP) that identifies the employee's competency and developmental needs in terms of the inherent requirements of the job, as well as methods to improve these.
- 7.7.2 Each KRA should be weighted as a percentage (%) according to the level of importance and impact it has in the employee's job. The weighting of all the KRAs should aggregate to 100%. The weight of each KRA shall not be less than 10% and shall not exceed 30%.
- 7.7.3 Employees shall identify, discuss and agree on the GAFs that are most relevant to their area of work. The GAFs shall not be weighted. GAFs shall not be assessed independently, but must be incorporated and assessed in an integrated manner with the KRAs. Any employee development identified in the GAFs shall be used to inform areas of development to be included in the PDP of employees. A list of the GAFs is attached as **Annexure A**.
- 7.7.4 Departments may develop their own templates for performance agreements, mid-year reviews and annual assessments.

8. PERFORMANCE MONITORING, REVIEW AND ASSESSMENT

- 8.1. The performance of employees must be monitored by supervisors on a continuous basis, with oral feedback on an employee's performance if the performance is satisfactory and in writing if the employee's performance is unsatisfactory.
- 8.2. The conducting of mid-year performance reviews and annual performance assessments are compulsory, and must be in writing. The annual assessment shall reflect the performance of the employee for the entire performance cycle (April to March). The annual assessment must be conducted even if the employee was employed for less than 12 months in that cycle.
- 8.3. A four (4) point rating scale shall be used to assess the performance of employees who are employees other than members of the SMS. A rating of a "3" on the scale entails "fully effective". In terms of this approach to performance rating, an employee who is rated "fully effective" has fully complied with the requirements of the job. On the rating scale, this translates to an overall score of 100%. Only whole numbers must be used in the scoring (no decimals numbers are allowed (e.g. 3.5)).
- 8.3.1. Table 1 below provides an explanation of the four point rating scale, categories of performance and the associated descriptions.

RATING	CATEGORY AND SCORE	DESCRIPTION
1	Not effective (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 <u>less than fully effective results against all or almost all</u> of the performance criteria and indicators as specified in the Performance Agreement and Workplan.
2	Partially Effective (67%-99%)	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 (partially achieved) against more than half</u> of the performance criteria and indicators as specified in the Performance Agreement and Workplan.
3	Fully Effective (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 <u>effective results against all</u> of the performance criteria and indicators as specified in the Performance Agreement and Workplan.
4	Highly Effective (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.

Table 1: Four (4) Point Rating Scale

- 8.3.2. The performance assessment calculator shall be used to calculate the overall performance score(s) of the mid-year reviews and the annual performance assessment (Annexure B). The electronic Excel Performance Assessment Calculator for non-SMS employees is available on the DPSA website (www.dpsa.gov.za).

9. PERFORMANCE MANAGEMENT COMPLIANCE DUE DATES AND ACTIVITIES

- 9.1. Table 2 provides the compliance due dates that are prescribed in terms of the Public Service Regulations, 2016 and directives issued by the MPSA. EAs and HODs must ensure that their PMDS policy and procedures comply with the specified dates and timeframes contained in the PSR.

Annual Dates	Current Cycle Activities	Previous Cycle Activities to be completed	Responsibility
31 May	Signed PA is filed/submitted to HR*	—	Employee, supervisor and Head of HR
30 June	Finalisation of capturing of signed performance agreements on PERSAL	Finalisation of capturing of employee performance information on PERSAL	Head of HR and HR information system/Persal Controller
31 July	—	Finalisation of annual performance assessments	Employee, supervisor and EA or delegated official
31 October	Finalisation of mid-year reviews	—	Employee and supervisor
30 November	—	Approval of moderated annual performance assessments	EA or delegated Authority
31 December	—	Implementation of outcomes of the annual performance	HR/Finance and Accounting Officer

Table 2

**Note: New employees must sign PAs within three calendar months of the date of his/her date of appointment.*

10. PERFORMANCE MODERATION

- 10.1. In terms of Regulation 71(5)(e), the PMDS of departments must provide for arrangements and structures for the purpose of performance moderation to ensure fairness and consistent application of the employee performance management system.
- 10.2 The EA or relevant delegated authority/ies shall appoint a committee to moderate the annual performance assessments and submit the recommendations to the relevant EA for approval.

- 10.3. 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.
- 10.4. Members of Moderation Committees must ensure that:
- 10.4.1 There is compliance with the public service prescripts in terms of the timelines on the signing of PAs or agreements of a similar nature, performance reviews and assessments and the date for the implementation of the outcomes of annual performance assessments; and
- 10.4.2 The performance outcome of the department/branch or unit is considered when advising or/ recommending on the implementation of the outcomes of annual performance assessments.
- 10.5. The performance moderation processes may be conducted in two steps if so desired, i.e. the intermediate review committee (optional) and departmental moderation committee (compulsory), which are discussed below.

10.6 The intermediate review committee (IRC)-Optional

- 10.6.1. Departments may establish an Intermediate Review Committee (IRC) at a Programme or Chief Directorate level for reviewing the performance assessment rating agreed upon by the employee and the supervisor. The need for such a committee will depend on the size and structure of the department.
- 10.6.2. The IRC receives the performance assessment ratings of all employees in the Chief Directorate or Component level, to review, compare and validate the ratings. If the IRC agrees with the ratings, the ratings are then submitted to the moderating committee. 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. If the supervisor and the employee cannot agree, the unchanged/original rating is forwarded to the Moderating Committee, with the comments from the IRC, the supervisor and employee.

10.7. Departmental Moderating Committee (DMC) (Mandatory)

- 10.7.1. Each EA or the relevant delegated authority/ies, must establish a Departmental Moderating Committee (DMC) for employees other than members of the SMS, which is chaired by the Head of Department (HOD) or his/her delegate. The Committee furthermore, may consist of senior managers at the discretion of the EA or relevant delegated official.

10.7.2. Roles of the DMC

- (a). The role of the Departmental Moderating Committee is to ensure that the annual performance assessment is done in a realistic, consistent and fair manner, to monitor the performance assessment process by obtaining an overall sense of whether norms and standards are being applied consistently and realistically to employees on the same level 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.

10.7.3. The other additional roles of the Departmental Moderating Committee therefore 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;
- (b) Detection of potential problems in the PMD system and advising the HOD accordingly;
- (c) Reviewing overall assessment scores across unit sections/programmes in the department;
- (d) Recommending reward levels and remedial action for different types of performance outcomes; and
- (e) 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. COMPULSORY CAPTURING OF EMPLOYEE PERFORMANCE MANAGEMENT INFORMATION

11.1 All Heads of Department and Government Components must ensure the employees' performance information is captured on PERSAL or a system determined by the MPSA (PSR 71(7)).

12. PROLONGED ABSENCE DURING THE PERFORMANCE CYCLE

12.1. If an employee is absent with permission or on precautionary suspension for a continuous period of three (3) months or longer, the affected employee shall be regarded as having performed satisfactorily for that period of absence within that applicable performance cycle (Regulation 72 (12)).

12.2. Periods of prolonged absence with permission for purposes of paragraph 12.1 above include all types of approved leave.

13. MANAGING PERFORMANCE OUTCOMES

13.1. Managing unsatisfactory and poor performance

Supervisors are required to identify and then, in line with a developmental approach, deal with poorly performing employees under their supervision. The supervisor must comply with the procedural requirements of PSCBC Resolution 10 of 1999 and Resolution 1 of 2013, the "Incapacity Code".

13.2 Rewarding good performance

EAs must determine an appropriate reward scale in the establishment of performance incentive schemes to reward employees or any category of employees as contemplated in regulation 73(1) of the Public Service Regulations. Where applicable, EAs may subcategorise the overall rating scale of 4 referred to in paragraph 8.3.1 above to distinguish between above average performance and excellent performance for purposes of rewarding employees in terms of the incentive scheme so established by an EA.

14. MECHANISM FOR THE RESOLUTION OF PERFORMANCE MATTERS

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

14.1. Mechanisms for dispute resolution pertaining to a PA/Agreement of a similar nature

14.1.1 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.

14.1.2 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.

14.1.3 The PMDS mediation process shall not exceed a period of one month.

14.1.4 If the mediation process fails, an employee may consider a formal grievance in terms of the Public Service Grievance Procedure.

15. ANNEXURES

15.1. Annexure A List of Generic Assessment Factors

15.2. Annexure B Assessment Rating Calculator

CHECKLIST OF THE DETERMINATION AND DIRECTIVE WITH THE PUBLIC SERVICE REGULATIONS 2016

DETERMINATION AND DIRECTIVE	PSR 2016
1. Scope of Application	Section 71. (1)
2. Performance Management and Development System for non-SMS employees	Section 71
3. Performance Agreement or an agreement of a similar nature	Section 72 (1)
4. Performance monitoring, review and assessment	Section 71(5)
5. Performance Management compliance dates and activities	Section 71 and 72
6. Performance moderation	Section 71 (5)
7. Compulsory capturing of employee performance management information	Section 71 (7)
8. Disputes resolution	Section 72 (4)
9. Prolonged absence	Section 72 (12)
10. Managing unsatisfactory and poor performance	Section 72 (15)