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Department:  
Public Service and Administration  
REPUBLIC OF SOUTH AFRICA

## Methodology for Quality Assurance of Performance Agreements for SMS members

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## 1. Introduction and Background

Chapter 4, Part III of the Public Service Regulation (PSR), 2001, read with Chapter 4 of the SMS Handbook provides prescripts on Performance Management and Development System (PMDS) for members of the Senior Management Service (SMS). The PSR determines that the performance of SMS members must be managed in accordance with performance agreements (PAs) and must be linked to the department's strategic goals and must comply with prescribed criteria.

The performance planning is the first step in the performance management cycle, and it provides members of the Senior Management Service (SMS) with an opportunity to plan and agree on the key performance areas and to identify the core competencies that are required to effectively perform the job. The aim is to translate the strategic plan and Annual Performance Plan (APP) goals into meaningful Key Results Areas (KRAs).

Performance agreements are the cornerstone of performance management and they form the basis on which performance expectations are identified and how development, reviews and assessments are conducted. They also create a shared understanding of the required performance standards between the supervisor and the SMS member, on which the performance of the SMS member will be measured. When PAs are aligned with the goals of the Department and/or Branch, SMS members can have a better understanding of the department's strategic goals and how their performance impacts on the overall performance of the Department.

Over the years the Department of Public Service and Administration (DPSA) has seen a significant improvement in the compliance of SMS members in the signing of performance agreements. The concern, however, is that a large number of the PAs are not of the requisite quality. The need was, therefore, identified to develop a methodology for the quality assurance of PAs of SMS members. The aim of the methodology is to provide a minimum framework to guide individual senior managers, supervisors and human resource practitioners in departments to ensure that the PAs developed, meet the basic requirements as determined by the PSR and PMDS Chapter 4 of the SMS Handbook.

The PAs serve as a foundation for setting up performance expectations for SMS members. Therefore, quality checks become a central pillar in the development of the PAs.

## 2. Objectives for implementing PAs

In terms of the Public Service Regulation, 2001, Chapter 4 of SMS Handbook and various directives of the Minister for Public Service and Administration (MPSA) all senior managers are required to sign PAs. The aims and objectives of PAs are:

- to ensure alignment of performance objectives of senior managers with the strategic objectives of the department;
- to assist senior managers to define key responsibilities and priorities and provide measures for assessing success;
- to encourage improved communication between senior managers and their supervisors;
- to enable the EA or supervisors of senior managers to assess the senior managers and provide the necessary support

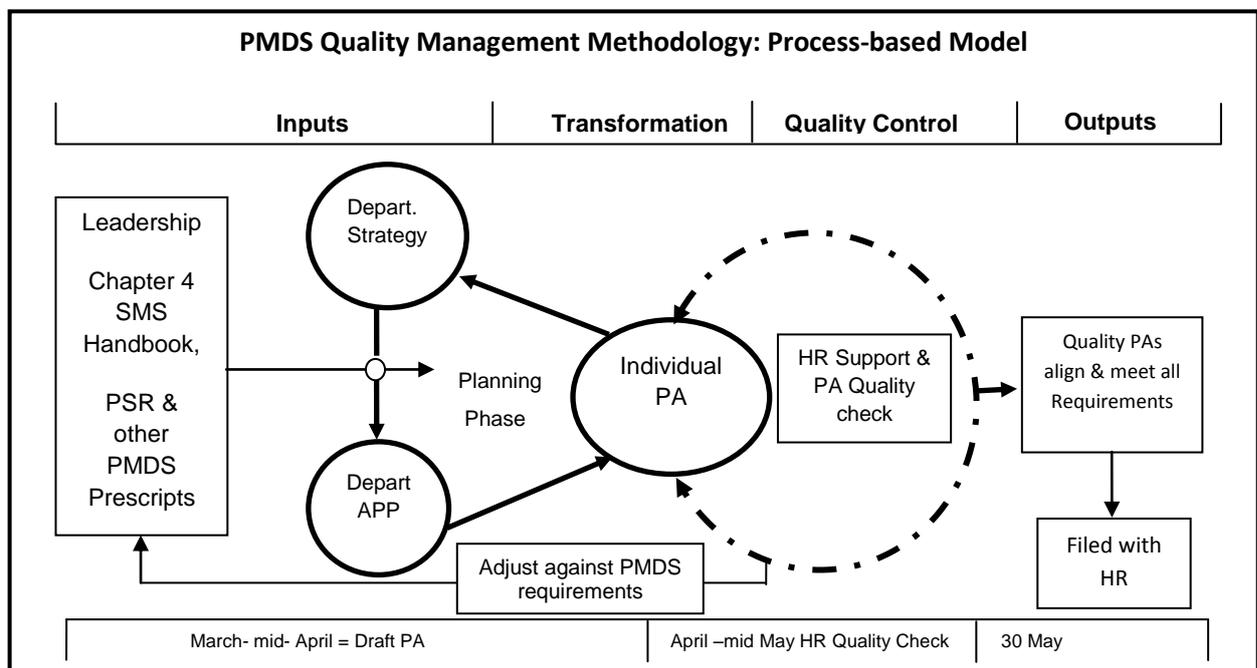
## 3. Purpose

The purpose of the Methodology for the Quality Assurance of PAs, amongst others, is to:

- provide a process for SMS members and their supervisor to follow in developing Performance Agreements (PAs),
- to ensure that the PA is aligned with the department's strategic plan, annual performance plan and operational plan,
- to provide a quality control checklist, and
- to provide a minimum framework for HR practitioners in departments.

## 4. PMDS Quality Check Methodology: Process-based model

The quality of Performance Agreement is informed by a number of prescripts as contained in the PSR and Chapter 4 of the SMS Handbook. These prescripts sets the minimum requirements for compliance with the development of PAs. The quality control process is divided into four (4) interrelated process areas i.e. (1) inputs (2) transformation (3) quality control and (4) outputs.



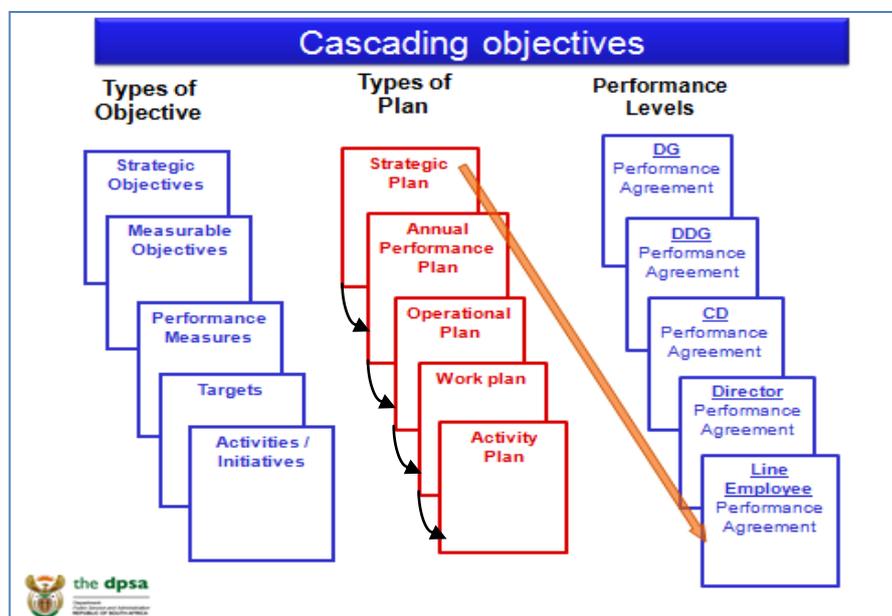
#### 4.1 Inputs Process Area: Alignment and Compliance with PMDS Prescripts

The planning phase is the first and most crucial stage in the performance management cycle. It serves as the foundation for the development of effective performance agreements. In order to ensure that SMS members directly contribute to achieving the objectives of the department, it is prescribed that the performance agreement of an SMS member must be linked and aligned to the (a) department strategic plan, (b) annual performance plan and (c) operational plan of the component.

As a minimum requirement, paragraph 10 of the SMS Handbook determines the following mandatory elements that must be addressed in the PAs:

- (a) Personal particulars of the SMS member.
- (b) Description of the purpose of the job.
- (c) Identification of KRAs, their weighting and the standards for measuring them.
- (d) Agreement on CMCs are relevant and their weighting and standard for measuring them.
- (e) Agreement on the Personal developmental plan.
- (f) Batho Pele principles in the KRAs and CMCs as a minimum standard.
- (g) Date of review and formal assessment of the SMS members' performance.
- (h) Dispute resolution.

In order to achieve optimal alignment, it is advisable that a top down approach be followed when developing PAs. This is generally referred to as "cascading". It implies that the strategic plan which will constitute measurable objectives, performance measures and targets will inform the development of the Annual Performance Plan and Operational plan. Thereafter, individual Performance agreements will be developed based on the information contained in the Strategic Plan, APP and operational plan.



## 4.2. Transformation Process: PA development

The transformation process combines all the key information from the strategic plan, APP and operations of the unit into a Performance Agreement. The PAs must include a Workplan and Personal Development Plan (PDP). The PA will be incomplete without the work plan and PDP attached to it. The objective is to translate the objectives into meaningful and measurable Key Results Areas (KRAs) which are described in detail in the Workplan. KRAs will include different types of objectives, including those derived from the strategic plan and APP of the department as well as ongoing work. In short, KRAs can be defined as:

Key = Crucial/Main

Result = outcome/end/consequences

Area = space/range

**Therefore Key Results Area = crucial outcome space**

A KRA is the area identified as important or crucial where a result will assist in the achievement of the set objective or goal, in relation to the role of the job. There will be sub-activities which will indicate the expected outcomes. Therefore, KRAs are not the results but it will have a number of activities that will indicate the outcomes per activities.

KRAs must be properly formulated to distinguish between what constitute KRAs and what are the supporting activities. KRAs must, therefore, be broken down into measurable outputs and/or tasks, activities. There is no limit to the number. However, ideally the number of KRAs should be limited to five (5) or six (6). KRAs are not projects or activities, which are normally recorded in the workplan.

In the process of assigning a weight to a KRA, there must be some balance between the KRAs. KRAs must be prioritized and weighted according to the impact and importance that they will have in attaining the strategic objectives of a department (i.e. the higher the impact the higher the weighting). The weight of a KRA shall not be less than 10% or shall not exceed 30%.

Key duties and responsibilities and output targets themselves need to satisfy five primary criteria. They must be **SMART**:

**S** - Simple, clear and understandable

**M** - Measurable – in terms of quantity and where possible, quality, money and time

**A** - Agreed between the manager and the supervisor

**R** - Realistic – within the control of the manager, taking account of her/his experience and capability

**T** - Timely – to reflect current priorities, assessable within the annual reporting cycle of the PA.

### 4.3. Quality Control

#### 4.3.1. The SMS member responsibility

All SMS members must conduct quality checks on their PAs by using the Quality Control Checklist. Only PAs that meet all the quality requirements must be submitted to the supervisor who will also have to validate the quality of the PAs and ensure alignment. Both the Supervisor and the SMS member must sign the PA and the Quality Control Checklist. Thereafter the PAs must be sent to HRM and/or Corporate Services.

#### 4.3.2 HRM and/or Corporate Service Responsibility

Before filing the PA, the human resource practitioner must conduct Quality Assurance (QA) on the document. If deviation has been identified, the PAs must immediately be returned to the supervisor for amendments, in consultation with the employee.

### 5. Outputs: Aligned and quality validated PA

Only quality assured performance agreements must be accepted and filed at HRM. It is the responsibility of HRM to ensure that all performance agreements which do not meet the minimum quality standard are returned promptly to the supervisor for review. Any delay may negatively affect the quality of the PAs and consequently undermine the achievement of the department's strategic goals.

### 6. Quality Control Matrix

PM Cycle Steps	Activity	Initiators
1. Performance planning and Annual Performance Plan	Draft APP and Operation plan	DG/ DDG
	Final Draft APP and Operation plan	DG/ DDG/CD
2. Individual performance planning	Start with the drafting and finalization of Performance agreement	DG/ DDG/CD/D
3. First Quality Check	The SMS member does a quality check of his/her PA using the quality control checklist	SMS member
4. Second Quality Check	Supervisor of the SMS member does a quality check on the PA using the quality control checklist	Supervisor
5. Third Quality Check	HR conducts quality assurance. If no deviation identified, HR file the PA.	HR

### QUALITY ASSESSMENT CHECKLIST FOR PERFORMANCE AGREEMENTS OF SMS MEMBER

Name of the SMS Member: \_\_\_\_\_

PMDS Cycle: \_\_\_\_\_

No.	Key Element	Yes/No	Remark(s)
1.	<b>Cover page should indicate:</b>		
	• Both name of the supervisor and employee,		
	• Designation of parties to agreement		
2.	<b>Job Details should indicate:</b>		
	• Personal Particulars		
	• Component		
	• Location		
	• Salary Level		
	• Notch (package)		
	• Occupational Classification		
3.	<b>Job Purpose should indicate:</b>		
	• The purpose of the Job clearly formulated?		
4.	<b>Job Functions should indicate:</b>		
	• The Job functions describe the key functions of the Jobholder?		
5.	<b>Reporting requirement:</b>		
	• The PA indicates the name of the supervisor?		
6.	<b>Performance Appraisal Framework:</b>		
	<b>6.1. Key Results Areas (KRAs)</b>		
	• The KRAs aligned to the Strategic plan; APP and operational plan?		
	• All KRAs are weighted?		
	• Are the KRAs appropriately weighted (i.e. <i>i.t.o.</i> KRAs should be prioritised and weighted according to the impact and importance - the higher the important & impact = the higher the weight to the KRA and visa verse		
	• Check KRA with weight that exceeds 50%		
	• The KRAs total weight adds up to 100%?		
	• The KRAs include Batho Pele Principles?		
	<b>Note:</b> KRAs that are almost similar or share similar indicators should be collapsed into one. Activities and outcomes that could possibly be covered as CMCs should be excluded under the KRAs		
	<b>Obligatory KRAs for HODs/DG</b>		
	Integrated governance		
	Regional Integration		
	Minimum Information Security Standard		
	<b>6.2. Core Management Criteria (CMCs)</b>		
• The PA indicate the 3 compulsory CMCs?			
• The CMCs weighted?			
• The CMCs include Batho Pele Principles?			
• The CMCs total weight add up to 100%?			
7.	<b>Developmental Requirements</b>		
	• The PA indicate developmental areas?		

No.	Key Element	Yes/No	Remark(s)
	<ul style="list-style-type: none"> <li>The developmental areas include the 5 days compulsory deployment to the coal face of service delivery?</li> </ul>		
8.	<b>Timetable and Records of Review Discussion &amp; Annual appraisals</b> <ul style="list-style-type: none"> <li>The PA specify when <b>Half yearly Review</b> and <b>Annual Evaluation/Appraisal</b> will be conducted?</li> </ul>		
9.	<b>Dispute Resolution</b> <ul style="list-style-type: none"> <li>The PA indicate the procedure for dispute resolutions?</li> </ul>		
10.	<b>Signature of Parties to the Agreement</b> <ul style="list-style-type: none"> <li>The PA signed by the SMS member &amp; Supervisor?</li> </ul>		
	<b>The Workplan</b> - Shall unpack the KRAs and set out in detail the actual work outputs of the SMS member.		
11.	<ul style="list-style-type: none"> <li>Are the KRAs in the workplan aligned/or the same as the KRAs in the PA?</li> <li>The KRAs in the workplan indicate the key activities?</li> <li>All key activities indicate the performance measure?</li> <li>The performance measures comply with the SMART principles?</li> <li>The workplan indicate resource requirements</li> <li>The Workplan indicates enabling conditions for each key activities</li> </ul>		
	<b>Personal Developmental Plan</b>		
	The PDP indicate the: <ul style="list-style-type: none"> <li>developmental/ competency as identified in the PA?</li> <li>the proposed action?</li> <li>the responsibility?</li> <li>the time-frame?</li> <li>the expected outcome?</li> </ul>		
Quality control check signed by the SMS member  _____ Date: _____ SMS Signature  _____ Date: _____ Supervisor Signature		Quality control check by HRM:  _____ Date: _____  _____ Date: _____	
<b>Comment(s) by SMS member/Supervisor:</b>		<b>Comment(s) by HRM:</b>	