

CHAPTER 4

PERFORMANCE MANAGEMENT AND DEVELOPMENT

1. INTRODUCTION

1.1 This chapter describes the process and requirements of performance management and development for members of the SMS. It is issued as a directive by the Minister for the Public Service and Administration (MPSA) in terms of Part III.B3 of Chapter 4 of the Public Service Regulations, 2001 (PSR) and replaces circular 2/3/1/1/P of 12 May 1999 and the Handbook – Management of Performance Agreements. In as far as national heads of department (HoDs) are concerned, this chapter should be applied in conjunction with the system for the evaluation of HoDs and guidelines issued by the Office of the Public Service Commission. The same applies to those provincial administrations that have adopted the national HoD evaluation system for their provincial HoDs. The performance management and development system is summarised at Annexure A.

2. PURPOSE

The chapter aims to:

- (1) Consolidate the provisions regarding performance management and development (PM&D) for the SMS that must be applied by departments;
- (2) Provide guidance on linking the SMS Competency Framework that guides recruitment, selection and development with regard to the management of SMS performance;
- (3) Encourage and further develop good practice in the management and development of the SMS based on an assessment of existing practice and the feedback obtained from members during consultation processes;
- (4) Create a better understanding of the context and best practice parameters for implementing PM&D for the SMS;
- (5) Give guidance on the implementation and management of PAs within the context of a PM&D system;
- (6) Explain and illustrate the critical areas of a PM&D cycle that links with related HR - systems; and

- (7) Suggest the conditions that departments will need to create in order to manage performance effectively.

3. DATE OF IMPLEMENTATION

The PMDS was introduced w.e.f. 1 April 2002 and amended w.e.f. 1 April 2006.

4. KEY PRINCIPLES

4.1 The key principles underpinning the effective implementation of PM&D are outlined in the PSR. These principles are captured below. For details, departments must refer to the relevant sections of the PSR (Part VIII A of Chapter 1) and the Handbook - Performance Management and Development (August 2000).

4.2 The principles are:

- (1) Departments shall manage performance in a consultative, supportive and non-discriminatory manner in order to enhance organisational efficiency and effectiveness, accountability for the use of resources and the achievement of results;
- (2) Performance management processes shall link to broad and consistent staff development plans and align with the department's strategic goals;
- (3) Performance management processes shall be developmental, but shall allow for effective response to consistent inadequate performance and for recognising outstanding performance [including demonstration of agreed CMCs]; and
- (4) Performance management procedures should minimise the administrative burden on supervisors (and members of the SMS) while maintaining transparency and administrative justice.

5. REGULATORY FRAMEWORK

5.1 Performance management in the public service is guided by the Act, the PSRs, resolutions of the Public Service Co-ordinating Bargaining Council (PSCBC), the Treasury Regulations, 2001 and the Batho Pele White Paper.

(1) **Public Service Act, 1994**

- (a) **Section 3 (5):** Assigns powers and duties concerning the internal organisation of a department to its EA. This includes:
- The determination and grading of the post establishment; and
 - The career incidents of employees other than HoDs, such as performance management and discipline in a department.
- (b) **Section 3 B:** Assigns the President and relevant Premiers the powers and duties concerning the appointment and other career incidents of HoDs, which may be delegated.
- (c) **Section 7(3)(b):** Provides for the following responsibilities of HoDs:
- Efficient management and administration
 - Effective utilisation and training of staff
 - Maintenance of discipline
 - Promotion of sound labour relations
 - Proper use and care of state property
- (d) **Section 12(4)(b):** Provides for the inclusion, by mutual agreement, of “specific performance criteria for evaluating the performance of the HoD.”

(2) **Public Service Regulations, 2001**

- (a) **Paragraph B.2.1 of Part VII, Chapter 1:** Indicates that the prescribed employment contract of an HoD shall be as set out in Annexure 2 of the PSR.
- (b) **Paragraph 7 of the employment contract (Annexure 2):** Contains the measures that govern the PA of an HoD.
- (c) **Paragraph B.1 of Part VIII, Chapter 1:** Indicates that an EA shall determine a system for performance management for employees in her/his department other than employees in the SMS. This implies that the MPSA should determine such a system for members of the SMS.
- (d) **Chapter 4** provides for the establishment of the SMS. **Paragraph A, Part III** states that the

performance of all members of the SMS will be managed through a PA, which should be linked to the department's strategic plan. **Paragraph B** states that all new members of the SMS shall enter into a PA, which will define key responsibilities and priorities, encourage improved communication and enable the supervisor to assess the work of the member of the SMS.

(3) PSCBC Resolution No 13 of 1998

- (a) The resolution states that the purpose of the negotiated collective agreement is to set a framework for senior managers to agree to individual PAs.
- (b) The agreement thus extended the signing of PAs from HoDs to all senior managers (levels 13-16) and prescribed the following five items that must be included in a PA:
- Key duties and responsibilities
 - Output targets for the PA period
 - Dates for performance review
 - Dispute resolution mechanism
 - Date on which salary increments will come into effect and mechanisms for the management/awarding of salary increases.

(4) PSCBC Resolution No 9 of 2000

This resolution extends Resolution 13 of 1998. It provides for the remuneration packages of senior managers/professionals to be translated to a more transparent total cost-to-employer and inclusive flexible remuneration package system.

(5) Treasury Regulations, 2001

- (a) Departments must comply with the Treasury Regulations regarding strategic planning and budgeting. Part 3, Chapter 5 of the Treasury Regulations deals with strategic planning. The Guidelines provided by National Treasury give detailed and extensive outlines of what is required to effectively link departmental strategy to budgets. Departments need to budget for projected salary increases and financial rewards that may be allocated to members of the SMS based on framework determinations made by the MPSA.

- (b) This chapter contains both advisory and mandatory elements. The advisory part is captured in paragraphs 6 – 7. The mandatory elements are set out in paragraphs 8 – 19. Please note that the latter part has been designed so as to allow departments flexibility during the implementation process, while ensuring that there will be consistency across departments when assessing SMS members and deciding on monetary rewards.

(6) **Batho Pele White Paper, 1997**

- (a) Batho Pele is a deliberate strategy to instil a culture of accountability and caring by public servants. Through this strategy public servants must become service orientated, strive for service excellence and commit to continuous service delivery improvement.
- (b) The White Paper sent a strong message of government's commitment to a citizen-centered approach to service delivery, anchored by eight Batho Pele principles:
- consultation
 - service standards
 - access
 - courtesy
 - information
 - openness and transparency
 - redress
 - value for money

6. INTEGRATION OF THE PM&D SYSTEM WITH ALL OTHER ORGANISATIONAL PROCESSES

6.1 PM&D systems need to be integrated with all other organisational processes and systems to be effective. Performance management and development is fundamentally an approach to how work is done and organised rather than a system. All other systems and processes should support or be informed by effective performance management and a focus on continuous improvement of performance. A further key determinant of success, flowing from this, is that the process is driven from the highest level in the organisation. The following should also be taken into account in managing PM&D at departmental level.

(1) **Strategic planning and performance assessment**

- (a) The content of PAs should clearly and directly devolve from and be related to the department's strategic/operational plan and the plans of the specific unit for the coming year. In practice this entails that departments should aim to have their plans prepared prior to the commencement of the financial year. This will enable relevant and appropriate PAs to be developed for members of the SMS and, if applicable, for other officials.
- (b) Individual performance assessments should therefore, be informed by and, in turn, inform the evaluation and review of organisational and unit achievement over the preceding period. Reviews of achievement against departmental strategic objectives and business plans should coincide with individual quarterly performance reviews, to enable individual and organisational performance to be more effectively linked. The mid-term individual performance review should coincide with the annual departmental or unit strategic review. Annual individual performance appraisals should be linked to and informed by evaluation of unit and organisational performance. New PAs should reflect decisions on how results could be improved in the forthcoming year.

(2) **Strategic HR planning linked to PM & D and other HR systems**

- (a) The PSRs clearly indicate the processes and format for HR planning (Part IIID of Chapter 1) that must enable the identification of core competencies and the subsequent identification of human resource development needs of a department. Jobs will need to be designed, analysed and evaluated in terms of the HR plan and job profiles developed for each job.
- (b) These profiles will guide recruitment and selection and provide the basis for PM&D. The profiles, PAs and the outcomes of performance reviews and appraisal must, in turn, become the basis for staff development plans. Departments will need to budget for projected package progression and cash bonuses that may be allocated within the framework and policy as determined by the MPSA.

- (c) The HoD is responsible for ensuring that these systems are implemented in an integrated way in line with the department's strategic objectives, and that departmental information systems support easy access to, and integration of, information.

(3) Competency framework

- (a) The generic management competencies apply to all staff in the SMS. The core generic competencies are intended to help build a common sense of good management practice in the public service. As such, they will inform the selection process, performance management and the identification of development needs of members of the SMS.
- (b) This chapter provides advice on how the link between these generic CMCs and performance management should be made.

(4) Management development

- (a) Key conditions for effective performance in most management jobs are that managers take responsibility for results but also that they are given the space for ongoing learning and development about how best to achieve them. Managers should play an active role in the development of their PAs with their supervisors and in identifying ways in which performance could be improved. Managers should be encouraged and trained to make informed judgements, take responsibility for results and look for ways of improving what is achieved.
- (b) The performance management and development process should play a key role in effective management development. Departments should not allow the role of the appraisal in enabling the determination of rewards and key career incidents to overshadow the developmental orientation of the PM&D system. The key purpose of PAs, reviews or appraisals is for supervisors to provide feedback and enable managers to find ways of continuously improving what is achieved.
- (c) The HoD is responsible for creating an environment conducive to this.

(5) Communication

- (a) Communication is key to performance management and development. Staff should not just know, but also understand, the strategic goals of the organisation. It should be clear to all managers how they are expected to contribute to the achievement of these goals. It is also important that information on achievement against these objectives is available to all staff.
- (b) Information on the department's PM&D system needs to be provided to all managers as well as staff in general to ensure that there is no confusion or misunderstanding about the PM&D policy and what is required.
- (c) It is the responsibility of the HoD to ensure that appropriate lines of communication are in place and effectively maintained.

(6) Organisational learning

- (a) Departments should ensure that systems are in place to enable learning to take place at individual and departmental level. This should inform future planning and decision-making.
- (b) The HoD must ensure that an environment is created in which achievement is honestly assessed in the public interest and ways found to improve service delivery. The performance of the department as a whole and the particular units of SMS members should inform individual assessment. It must also be possible to admit and take responsibility for problems or shortcomings and make proposals that will enable improvement.
- (c) Learning and improvement should apply to the performance management system itself. Departments will need to review whether it is serving the intended purpose effectively.

(7) Managing poor/unacceptable performance

Departments are entitled to satisfactory work performance from members of the SMS. Should the performance of a member of the SMS fail to comply with required standards in this regard, departments are obliged to apply the applicable incapacity code and

procedures in order to appropriately address the situation. These procedures are contained in Resolution 10 of 1999 and are explained in Chapter 7 of this Handbook. Refer to paragraph 15.8 for measures pertaining to unsatisfactory performance.

(8) Batho Pele Principles

(a) All members of the SMS are expected to incorporate the following eight principles when developing/compiling strategic plans, business plans, workplans and PAs.

- **Consultation**

Citizens should be consulted about the level and quality of the public services they receive, and wherever possible, should be given the choice about the services that are offered.

- **Service Standards**

Citizens should be told what level and quality of public service they will receive so that they are aware of what to expect.

- **Access**

All citizens should have equal access to the services to which they are entitled.

- **Courtesy**

Citizens should be treated with courtesy and consideration.

- **Information**

Citizens should be given full, accurate information about the public services they are entitled to receive.

- **Openness and Transparency**

Citizens should be told how national and provincial departments are run, how much they cost and who is in charge.

- **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 complaints are made, citizens should receive a sympathetic, positive response.

- **Value for Money**

Public services should be provided economically and efficiently in order to give citizens the best possible value for money.

(b) The above-mentioned principles cut across the KRAs and the CMCs and form the standard against which SMS members will be evaluated. The applicable Batho Pele principles will have to be determined during the signing and conclusion of the PA. The clients, customers and beneficiaries will also be identified during this stage.

(c) Cabinet decided on 4 August 2004 that all members of the SMS must undergo a compulsory 5 day deployment to a service delivery point during a performance cycle as part of the senior management service delivery challenge. The service delivery challenge has subsequently been provided for under item 6 (developmental requirements) in the *pro forma* PA at annexure D.

7. LINKING THE PM CYCLE TO PLANNING AND BUDGETING

7.1 Part 3 of the Treasury Regulations and Part III of Chapter 1 of the PSRs require that strategic planning be undertaken by departments and a draft strategic plan be finalised and approved by the EA. It is the responsibility of the HoD to ensure this is effectively achieved. This strategic planning process should link to the PM&D cycle, where organisational requirements are translated into individual objectives or targets.

(1) **Content of the strategic plan**

(a) The strategic plan should cover a period of three years and be consistent with the department's published medium term estimates. In addition, it should:

- Define the vision, mission or strategic focus of the department, as informed by

government policy and the constitutional mandates of that department;

- Set out clear strategic goals and objectives, strategies for achieving them and service delivery improvement plans (see Part IIIC of Chapter 1 of the PSR);
 - Record budget decisions on strategic resource allocation based on strategic decisions, plans and what will be needed to implement them. This is the MTEF budget exercise, which should be an integral part of strategic planning and directly related to the goals, strategies and plan. The budgeting process should not be run as a separate and parallel process as is often happening;
 - Provide the basis for departmental and unit level business planning, by allocating to specific units the responsibility and resources for achieving an aspect of the overall departmental strategy within a financial year; and
 - Lay a clear basis for the monitoring of progress and evaluation of achievement by clarifying expected results with indicators, criteria and standards. This should provide a sound basis for the PAs of individual managers and for directly linking them to departmental and unit responsibilities and plans.
- (b) The strategic planning process and the actual draft strategic plan are among the key responsibilities of an HoD. The EA approves and is jointly responsible with the HoD for the strategic plan. The PAs of the HoD, her/his deputies and all other members of the SMS should be based on the departmental and unit strategy and operational plans.
- (c) The Batho Pele principles must be incorporated into the departmental strategic plans as the driver of the strategy. It must become an adopted practice to use the Batho Pele principles to develop the departmental strategy. The eight Batho Pele principles as referred to in item 5(6) above must be seen as an ethos that guides actions and

behaviours. As a result it must be translated into a tangible belief set that guides behaviour (we belong, we care, we serve).

- (d) During the implementation or “action” phase, it is critically important to ensure that the strategic objective identified in the strategic planning exercise are cascaded down throughout the department and its components. Individual managers need to be given Key Result Areas that are aligned to the departmental strategic objectives, which in turn, should be aligned to provincial and national objectives.
- (e) As part of development as well as to strengthen Batho Pele, all SMS members must be exposed to the coalface of service delivery for a period of at least 5 days in a particular financial year (preferably during the Public Service week).
- (f) In order to make the deployment meaningful it is advisable to undergo 5 days of preparatory training through the Khaedu Service Delivery Challenge (offered by DPSA) which will be necessary only for the first year of deployment.

(2) **Proposed planning cycle**

- (a) The diagram at Annexure C outlines the flow of activities which, if followed, would make it much easier for departments to achieve the goal of effectively using PAs as instruments to advance their strategic objectives and improve what is achieved.
- (b) As illustrated in the diagram, the planning cycle should typically commence by mid November.

8. ENTERING INTO A PERFORMANCE AGREEMENT

- 8.1 All members of the SMS (managers and professionals) **shall enter into PAs** within the first month of the new financial cycle. These PAs shall apply for a particular financial year and shall be reviewed annually. A newly appointed member of the SMS shall complete her/his PA within the first three months of appointment. Within that time, there should have been enough induction and orientation to the new environment to enable judgements about what it will take to deliver a good service for that year. The format at Annexure D shall be utilised as the

basis of all PAs and workplans, with the understanding that departments may adjust the *pro forma* to suit their particular needs. For purposes of consistency for the assessments of HoDs, the second example at Annexure D should be used. The PAs of individual members shall be based on a department's strategic/operational plan, the milestones agreed upon by the relevant EA and top management, as well as the work plans of individual components.

- 8.2 Failure to deliver in terms of a PA cannot result in summary termination of service. However, it can serve as evidence in support of such termination based on incapacity should such a process become necessary.
- 8.3 The performance of a member of the SMS shall be reviewed on a **quarterly basis**, with the understanding that such reviews may be **verbal** if the SMS member's performance is **satisfactory**. **However, a minimum of two formal reviews must take place during the course of the year (one preferably in the middle of the PM&D cycle and the other towards the end of the cycle), linked to the review of the department's or unit's strategic/operational plan.**
- (1) Departments may decide to adjust the system to meet the needs of different jobs or categories of jobs but must use one standard assessment instrument (see paragraph 13.1) on which to base decisions on probation, rewards, promotion and skills development; and
 - (2) All members of the SMS must have a personal development plan, included as part of the PA.
- 8.4 Copies of National HoDs' PAs should be submitted to the Pretoria Office of the Public Service Commission, while PAs of Provincial HoDs should be forwarded to the Regional Office of the Public Service Commission in the relevant province.
- 8.5 PAs will only be effective if:
- (1) All members of the SMS are committed to proper management of performance, not because of a need to comply but rather because it is a good management tool. In this regard, each member of the SMS will need to have the effective implementation of the agreed PMDS as one of their priority organisational objectives;
 - (2) Objectives and competency gaps are reviewed more in terms of relevant departmental vision, mission and strategy rather than functional responsibilities and duties;

- (3) All members of the SMS are properly inducted and trained in the use of performance management, CMCs and the PA system in particular; and
- (4) All performance assessment data is kept in an efficient database for continuous updating and re-use in various other competency based people management aspects.
- (5) It is equally the responsibility of a member as it is that of a supervisor to ensure that a PA is signed.

9. CONTRACTING AND DETERMINATION OF ASSESSMENT CRITERIA

9.1 The criteria upon which the performance of a member of the SMS must be assessed shall consist of **two components**, both of which shall be contained in the PA. Each SMS member must be assessed against both components, with a weighting of **80:20** allocated to the **Key Result Areas (KRAs)** and the **Core Management Criteria (CMCs)** respectively. Each area of assessment will be weighted and will contribute a specific part to the total score. KRAs covering the main areas of work of the SMS member, will account for 80% of the final assessment. The CMCs will make up the other 20% of the member's assessment score. The eight Batho Pele principles cut across the KRAs and CMCs and must also be used as criteria when a performance assessment is done.

(1) Key Results Areas (KRAs)

- (a) KRAs describe what is expected from a member of the SMS in her/ his role. They focus attention on actions and activities that will assist units and ultimately the department in performing effectively.
- (b) KRAs define activities essential for the success of the job and for making an effective contribution to the achievement of strategic objectives and goals. They must be weighted according to their importance in the job. The KRAs can contain tasks, activities or events that must be achieved (measureable outputs).
- (c) The primary tool for capturing KRAs in a clear and concise manner is a workplan. The proposed PA template (see Annexure D) makes provision for the inclusion of a work plan which describes KRAs and the criteria for measuring them. The more

precisely those KRAs are described, together with the criteria by which they will be measured, the more effective the performance management process will be.

- (d) KRAs should be prioritised and weighted in terms of the impact that each will have on service delivery.

(2) **Core Management Criteria (CMCs)**

- (a) Core Management Criteria are units of knowledge, skill, attribute or work activity undertaken that are directly related to effective performance in a job.

- (b) The eleven CMCs are as follows:

- Strategic Capability and Leadership
- Programme and Project Management
- Financial Management
- Change Management
- Knowledge Management
- Service Delivery Innovation
- Problem Solving and Analysis
- People Management and Empowerment
- Client Orientation and Customer Focus
- Communication
- Honesty and Integrity

- (c) The eleven CMCs of the SMS could be used to determine expected performance standards in PAs and to assess achievement through performance review and appraisal meetings.

- (d) The purpose of including the CMCs in the PMDS is to contribute to the process of developing a common understanding of, and set of expectations about, good management practice. These criteria and standards should not displace the importance of specific results-based performance criteria and expectations for a particular job and their relationship to the specific goals of the organisation.

- (e) The CMCs are complementary to the specific performance criteria (KRAs) for any particular job in any specific department.

- (f) The CMCs and standards are:
- Related to **how** managers do their jobs - they do not describe the results that should be achieved; and
 - Generic – they identify areas that are important to most management jobs and provide standards based on how these should be carried out effectively in most organisational and job contexts.
- (g) A table that includes the elements of each CMC, a description and possible standards that may be expected for performance at the “Fully Effective” level only, is provided in Annexure E.
- (h) Note that not all CMCs will be relevant to a specific job or to a specific work environment. The human resource units in departments should work with line management in their departments in deciding up-front which CMCs will be used during the evaluation process and how it will be weighted. Some level of consistency will be required for similar jobs within the department. (See paragraph 10.5 for further details).

10. CONTENTS OF THE PERFORMANCE AGREEMENT

10.1 The PA shall address, as a minimum, the following:

- (1) Personal particulars of the member.
- (2) Description of the purpose of the job.
- (3) Identification of KRAs, their weighting and the standards for measuring them.
- (4) Agreement on which CMCs are relevant, their weighting and the standards for measuring them.
- (5) Agreement on the personal development plan.
- (6) Dates of reviews and formal assessment of the SMS member’s performance.
- (7) Dispute resolution.

- (8) Dates for consideration of performance related rewards.

10.2 Description of the job

The purpose of the job should be based on the job profile and the department or unit operational plan.

10.3 Identification of Key Result Areas

- (1) The setting of KRAs should be derived directly from the required outputs of the approved strategic/operational plan.
- (2) **KRAs** should be broken down into specific activities or outputs in a work plan. Indicators are then used to indicate how the successful performance/achievement of the activities or outputs will be measured.
- (3) The identification of KRAs can cover many different aspects of the work:
 - (a) Specific tasks or events which the member should ensure are achieved;
 - (b) Levels of performance which the member should maintain and promote;
 - (c) Actions or situations for which the member is personally responsible for delivering her/his "unique contribution"; and
 - (d) Duties and responsibilities related to advice and support given, for example, by specialists to clients.
- (4) The KRAs of a member of the SMS should not simply be a repetition of the outputs of the persons under her/his control or the consultants to be contracted, but should where possible indicate the value to be added by the member.
- (5) The KRAs should exclude generic managerial and/or leadership responsibilities, since these are to be covered by the CMCs.
- (6) Although there is no limit to the number of KRAs to be included in a PA, they should preferably not exceed five or six substantive outputs. .
- (7) For all HoDs the following KRAs shall as a minimum be included in their PAs:
 - (a) Integrated Governance

- Compliance with the requirements of the relevant Medium Term Strategic Framework
- Integration of departmental work with Cluster work
- Implementation of the cluster programme of action
- Co – ordination of the Cluster meetings
- Interaction and co-ordination with Cabinet Clusters

(b) Regional Integration

- Departmental NEPAD in place
- Cluster and Departmental NEPAD programmes in place and under implementation
- NEPAD programmes mainstreamed in Cluster work

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

- The key outputs in this regard to be addressed are depicted in Appendix D of Annexure D.
- This KRA must be included in the PAs of all HoDs, heads of other institutions or entities in the public service, ambassadors and Heads of South African Missions abroad.

10.4 Agreement on how achievement of KRAs will be measured

- (1) The manner in which performance objectives in a work plan are formulated, need to satisfy five primary criteria:

S Simple, clear and understandable

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

A Achievable and agreed between the member and the supervisor

R Realistic – within the control of the member, taking account of her/his experience – but challenging

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

- (2) It is important to realise that there must be flexibility when agreeing on performance objectives and measures. There should be a mutual understanding that the PA may

have to be adjusted during the course of the financial year because of changed circumstances.

- (3) The KRAs should be weighted according to the importance that they have in the member's job. The weighting of all the KRAs should add up to 100.

10.5 Agreement on the standards for measuring Core Management Criteria (see also paragraph 11)

- (1) Every member of the SMS should be assessed against all those CMCs that are applicable to her/his job. The number of CMCs chosen should preferably not exceed five or six. However, all eleven CMCs are critical for HoDs and must be included in their PAs. A scientist may for example not have any employees under her/his control (People Management and Empowerment) or may have no financial responsibilities (Financial Management). Moreover, all CMCs will not be equally important in a particular job context of a member, or may apply in different ways to different jobs. To adapt the CMCs to specific jobs and job contexts, the SMS member together with her/his supervisor will need to:
 - (a) **Decide** which of the CMCs apply to the member's job.
 - (b) **Weight each relevant CMC** to show the extent to which it relates to the specific member's job. One way of jointly arriving at decisions on how important any specific criterion is to a specific job is to use the factors of impact and frequency. The greater the impact and frequency, the greater the importance that criterion is likely to have on the achievement of effective performance results. The weighting of all the criteria should add up to 100.
 - (c) **Adapt the generic standards** to the demands and context of the job as necessary. It is important to set the eight Batho Pele principles as minimum standards to improve service delivery. The eight principles can be seen as the basis of measurement and definite levels of excellence.
- (2) The agreements reached on the **job-specific performance results and criteria** and knowledge of the **context** will inform this process. Departments should view the inclusion of CMCs in the PAs of members of the SMS as a window of opportunity to promote behaviour

change and service delivery improvement in their specific environments.

- (3) For all members of the SMS with managerial responsibilities*, the following CMCs shall **as a minimum** be included in their PAs:
 - (a) Financial management
 - (b) People management and empowerment
 - (c) Client orientation and customer focus (requires strong emphasis on the Batho Pele principles)

* Note: For professionals, departments should decide on their own which CMCs are relevant
- (4) Batho Pele is not a plan in the sense that one has strategic plans or action plans, but rather an attitude that shapes the character of the public service. The principles should be taken into account when assessing a manager on the CMCs and KRAs.

10.6. **Agreement on the personal development plan**

- (1) Inclusion of a Personal Development Plan in a Performance Agreement is compulsory
- (2) Identify developmental requirements of the member by:
 - (a) using the self assessment tool produced by DPSA available on the DPSA website)
 - (b) working through the CMCs,
 - (c) identifying job-specific development needs;
 - (d) working through the Batho Pele Principles; and
 - (e) 5 days of deployment to the coalface of service delivery in each financial year
- (3) Agree on the steps to be taken to address the developmental gaps and the date at which a review of progress will be undertaken.
- (4) Note these undertakings as part of the PA, using the format attached to Annexure D (Appendix C thereof), or another jointly agreed on.

10.7 **Dates of assessment and monitoring of the performance of members of the SMS**

- (1) Dates and the format for reviews and the annual appraisal shall be agreed and adhered to (refer to paragraph 12). It is advisable to keep a record of the mid-term review meeting and the annual appraisal, in the

event of differences of opinion arising out of these meetings. In the case of review meetings:

- (a) A review of the SMS member's progress in achieving her/his objectives is required as it may lead to modifications to the PA;
 - (b) The performance of the SMS member in achieving the results required by the PA should be discussed against the background of the criteria in the performance management instrument that will be used to evaluate her/his performance over the whole PA period; and
 - (c) This approach provides a natural build-up to formal assessment.
- (2) The above approach should ensure that the member of the SMS:
- (a) Reports to her/his supervisor against all parts of their agreement, particularly where performance varies from expectations;
 - (b) Alerts the supervisor to any emerging factors that could preclude the achievement of any PA undertakings;
 - (c) Establishes and maintains appropriate internal controls and reporting systems in order to meet performance expectations; and
 - (d) Reports to the supervisor on revision of targets (if necessary) and progress towards the achievement of PA undertakings.

10.8 Dispute resolution

- (1) The PA must specify mechanisms to resolve disputes about all aspects of the PA:
 - (a) Mechanisms for dispute resolution must include any differences which might arise out of the assessment of work performance;
 - (b) In agreeing on a mutually acceptable person to resolve disputes that might arise, an individual within the public service should be considered first;
 - (c) If possible, the person identified should be involved in the conclusion of the PA. This will enhance her/his understanding of the contents of the PA and may even prevent disputes from arising; and
 - (d) Persons selected to resolve disputes should preferably be chosen on the basis of their functional expertise and people skills and not their

legal qualifications since dispute resolution should preferably be an informal process.

10.9 **Annual remuneration package adjustment and performance related rewards**

- (1) All members of the SMS are eligible for a cost-of-living (remuneration package) adjustment with effect from 1 January of a particular year, irrespective of the outcome of performance evaluation.
- (2) The MPSA will annually issue a directive on the extent of the above-mentioned adjustment.
- (3) Members of the SMS may furthermore be considered for performance related pay increases and/or rewards (see paragraphs 15.3 and 15.4 in this regard).
- (4) The annual PA of a member of the SMS forms the basis in terms of which performance assessment, leading to possible granting of performance related pay increases and/or rewards, will be undertaken. Failure to sign a PA may furthermore result in disciplinary action being instituted against members who are at fault, and forfeiture of performance rewards.

11. **APPLICATION OF THE CMCs**

11.1 At the start of each performance cycle, an HoD, assisted by her/his human resource unit, should do the following:

- (1) **Selection of the CMCs**
 - (a) Determine which of the eleven CMCs are applicable to particular jobs within her/his department and weight those that are relevant according to importance, taking into account the minimum requirements outlined in par 10.5; **OR**
 - (b) Allow SMS members and their supervisors to select and jointly agree the appropriate CMCs for the member's job role; **OR**
 - (c) Apply a combination of (1) and (2) above (e.g. decide that certain CMCs must be part of the assessment of all members of the SMS, while others may be included depending on the specific situation). Refer to paragraph 10.5 (1) regarding CMCs for HoDs.

(2) Determination of standards

- (a) Determine which standards are to apply to each of the selected CMCs (using the generic standards at Annexure E as a guide); **OR**
- (b) Decide to allow managers, together with their supervisors, flexibility to agree appropriate standards according to their position within the department and their job description; **OR**
- (c) Apply a combination of (1) and (2) above. See paragraph 10.5 for more detail.

(3) Formalised agreement

Note that the selected CMCs, and their relevant standards, are part of the PA and ensure that both the manager and supervisor sign off on these as a basis for assessment.

12. REVIEW AND APPRAISAL

Regular performance reviews and an annual performance appraisal are required for all members of the SMS.

(1) Performance reviews

- (a) Reviews are important feedback sessions that take place at regular intervals during the course of the year. They provide an opportunity for members to receive feedback on how they are performing. They also provide a time for structured reflection by the member using the process of self-assessment.
- (b) As a minimum, two **formal** performance reviews should take place annually, preferably in the middle of the cycle, and one at the end of cycle. This should be in writing and in the case of HoDs submitted with all other relevant documents for annual assessment. The dates of the formal performance reviews must be determined at the signing of the PA and must be adhered to. Lack of a formal performance review must be a performance finding on the part of the supervisor under the People Management and Empowerment CMC.

- (c) Departments may use their own instruments according to which they conduct these reviews. An example of such a form is provided at Annexure F.

(2) **Performance appraisal**

- (a) The appraisal discussion takes place at the end of the performance management and development cycle. This discussion should enable:

- An opportunity for the member to assess her/his own performance and its contribution to organisational goals and allow for reflection on what would be needed to improve what was achieved;
- An opportunity for the supervisor to give more formal feedback on performance over the year and draw on the experience of the member to identify ways of improving what was achieved;
- An opportunity for the member to contribute to, and respond to comments regarding her/his performance and identify issues beyond her/his control that limit the achievement of results;
- An open discussion between the member and her/his supervisor in which achievements can be fully recognised and ideas for problem solving agreed; and
- Agreement on an overall appraisal outcome reflecting judgement on the level of achievement attained in terms of the performance agreement that can be used to determine performance-related salary increments and rewards.

- (b) The next paragraphs contain detailed guidance on the process to be followed.

13. ASSESSMENT INSTRUMENT FOR ANNUAL PERFORMANCE APPRAISAL

- 13.1 The PSR require departments to use a single instrument to assess the performance of employees:

An executing authority may establish separate instruments for different occupational categories or

levels of work; but when assessing an individual employee, a single assessment instrument shall be used in order to assist in deciding on probation, rewards, promotion and skills development of the employee. (PSR, 2001)

13.2 With a view to achieving the above, the assessment instrument attached at Annexure G has been developed. Departments may customise this to suit their particular needs. This particular *pro forma* -

- (1) Allows an overall judgement of performance at the appraisal meeting to be made that is clear and unambiguous;
- (2) Enables a department to compare the appraisal outcomes of individual members;
- (3) Provides clear descriptions that clarify the meaning of a specific rating for each level in the rating scale. These should be clear to both the member and the supervisor at the start of the performance cycle;
- (4) Enables fair and equitable determination and allocation of package progression and cash rewards based on performance by providing a clear link between the policy on salary and rewards for the department's SMS members and the standard rating scale;
- (5) Enables fair management of key career incidents such as probation and action as a result of incapacity or incompetence by making an explicit link between the rating that summarises the appraisal outcome and its implications for these key career incidents. This link should be transparently specified in departmental policy; and
- (6) Enables systematic identification of an individual's skills development needs based on the demonstrated competency of individuals through performance.

13.3 When assessing the performance of SMS members, departments shall use the following standard rating scale:

LEVEL 5: OUTSTANDING PERFORMANCE – Performance far exceeds the standard expected of a member at this level. The appraisal indicates that the member has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Workplan and maintained this in all areas of responsibility throughout the year.

<p>LEVEL 4: PERFORMANCE SIGNIFICANTLY ABOVE EXPECTATIONS - Performance is significantly higher than the standard expected in the job. The appraisal indicates that the member has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.</p>
<p>LEVEL 3: FULLY EFFECTIVE - Performance fully meets the standard expected in all areas of the job. The review / assessment indicates that the member has achieved fully effective results against all the performance criteria and indicators as specified in the PA and Workplan.</p>
<p>LEVEL 2: PERFORMANCE NOT FULLY EFFECTIVE – Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review / assessment indicates that the member has achieved below fully effective results against more than half of the key performance criteria and indicators as specified in the PA and Workplan.</p>
<p>LEVEL 1: UNACCEPTABLE PERFORMANCE – Performance does not meet the standard expected for the job. The review / assessment indicates that the member has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Workplan. The member has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.</p>

14. ANNUAL PERFORMANCE APPRAISAL PROCESS

14.1 The annual performance appraisal involves:

- (1) **Assessment of the achievement of results as outlined in the work plan**
 - (a) Each **KRA** should be assessed according to the extent to which the specified standards (example 1) or performance indicators (example 2) have been met.
 - (b) An indicative rating on the five-point scale should be provided for each KRA.
 - (c) This rating should be multiplied by the weighting given to the KRA during the contracting process, to provide a score.
 - (d) The assessment rating calculator (refer to paragraph 14(3)) may then be used to add the scores and calculate a final KRA score, based on the 80% weighting allocated to the KRAs.

(2) Assessment of the Core Management Criteria

- (a) Each CMC should be assessed according to the extent to which the specified standards that have been selected are met.
- (b) An indicative rating on the five-point scale should be provided for each CMC.
- (c) This rating should be multiplied by the weighting given to each CMC during the contracting process, to provide a score.
- (d) The assessment rating calculator (refer to paragraph 14(3)) may then be used to add the scores and calculate a final CMC score, based on the 20% weighting allocated to the CMC.

(3) Overall rating

- (a) An overall rating, in accordance with the assessment rating calculator (hard copy at Annexure H) and soft copy available on the DPSA website provides a summary of the outcome of the performance review for both the KRAs and CMCs.
- (b) The assessment-rating calculator may then be used to provide a final score based on adding the scores achieved for the KRAs and the CMCs.

15. USING PERFORMANCE APPRAISAL TO ALLOCATE REWARDS AND DECIDING ON KEY CAREER INCIDENTS**15.1 National policy and guidelines on performance based pay and rewards**

- (1) As mentioned in par 10.9, all members of the SMS are eligible for a cost-of-living package adjustment to be determined by the MPSA, irrespective of the outcome of the performance evaluation. This will be granted in January of each year.
- (2) All members of the SMS are furthermore eligible to be considered for performance related pay increases (package progression) on an annual basis (once a year) and for performance rewards. Measures applicable to monetary rewards are set out in paragraphs 15.4 to 15.8.

- (3) Final decisions on the awarding of such rewards shall be taken by the EA personally, who shall act on the advice of a moderating committee (see par 15.7).
- (4) Following Cabinet's decision of 16 February 2005, no cash bonus may be paid to an accounting officer (irrespective of level) who materially over or under spends on her/his budget.

15.2 Departmental decisions on appraisal results and budgeting for monetary rewards

- (1) Departments may use performance appraisal results to make decisions in a range of areas. The PSRs dictate that a single system be used to determine those decisions that will materially affect staff and their careers such as:
 - (a) Confirmation/non-confirmation of appointment
 - (b) Pay progression (within framework determined by MPSA)
 - (c) Performance bonus allocation (within framework determined by MPSA)
 - (d) Non-financial rewards
 - (e) Staff development needs
 - (f) Access to career development opportunities
 - (g) Initiation of incapacity procedures.
- (2) The single rating scale outlined above can be used to ensure that clear decisions are made on the above. The descriptions attached to each rating on the scale are designed to ensure transparency, consistency and fairness in the assessment of performance.
- (3) Departments will need to project the resource implications of monetary rewards and ensure that these are provided for in the budget (refer to paragraphs 15.3 and 15.4).
- (4) Departments should integrate the provisions of this chapter in their departmental policy on performance management and development and ensure that there are proper linkages between the performance measures that apply to members of the SMS and non-SMS members. At provincial level, there may be a need to co-ordinate the integration of this chapter into provincial/ departmental policy/policies. Such an integrated policy should show how the SMS performance management and development arrangements would link to the departmental/provincial system as a whole.

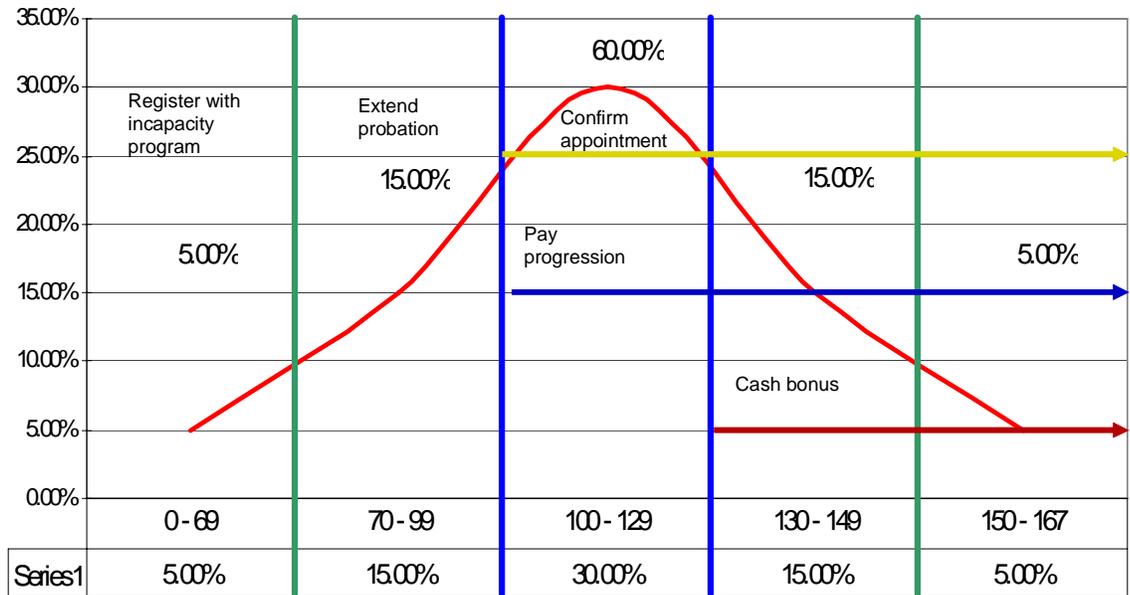
“15.3 Performance rewards (cash bonuses)

- (1) EAs have the authority to reward SMS members for meritorious performance. 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. 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 could generally qualify for a performance bonus. This guideline should be taken into account in identifying trends and making recommendations for performance rewards within the 1.5% of the remuneration budget –

Performance Category	Total Score	The following % of staff should normally fall in this category
Unacceptable performance	69% and lower	5%
Performance not fully effective	70% - 99%	15%
Performance fully effective (and above)	100% - 129%	60%
Performance significantly above expectations	130% - 149%	15%
Outstanding Performance	150% - 167%	5%

This can be illustrated in the following way —

NORMAL DISTRIBUTION OF EMPLOYEE PERFORMANCE (SMS)



- (2) A cash bonus is a financial award granted to a member in recognition of sustained performance that is significantly above expectations and is rated as such in terms of the rating scale. To understand the relationship between scoring an individual KRA or CMC on the 5 point rating scale, on the one hand, and total scores on the other hand, it must be kept in mind that a total score can be a variable mix of the five categories (1,2,3,4 and 5). A total score must therefore not be read mechanistically into the description of a specific performance category, because a total score might contain a mix of KRA and CMC ratings ranging from 1 to 5, depending on the weighting of the elements. For purposes of illustration the following three broad groups of total performance scores can be distinguished, with the corresponding performance categories, percentages and outcomes:

Performance groups	Percentages	Performance categories	Percentages	Outcomes
Below satisfactory performance	99% and below	Unacceptable performance	69% and below	No notch increase No cash bonus
		Performance not fully effective	70% - 99%	No notch increase No cash bonus
Satisfactory performance	100% - 129%	Performance fully effective (and above)	100% - 129%	Notch increase No cash bonus

Performance groups	Percentages	Performance categories	Percentages	Outcomes
Above satisfactory performance	130% and above	Performance significantly above expectations	130% - 149%	Notch increase Cash bonus: 5%– 9%
		Outstanding performance	150% - 167%	Notch increase Cash bonus: 10%– 14%

- (3) In the granting of cash bonuses, the *pro rata* principle does not apply. For a member of the SMS who has achieved a total score of 130 - 149%, a cash bonus calculated between 5% and of 9% of her/his total remuneration package, may be awarded. For a member of the SMS who has achieved a total score of 150% and above, a cash bonus calculated between 10% and 14% of her/his total remuneration package may be awarded.
- (4) A cash bonus can only be granted to SMS members who have completed an assessment period of at least 12 months commencing on 1 April of a year and ending on 31 March of the following year: Provided that the member remained on the same level (band) for the duration of this period. Moreover, departments must not spend more than 1,5% of their total annual SMS remuneration budget (i.e. the budget for the all inclusive flexible remuneration packages of their SMS members) on performance rewards for the SMS. This may in exceptional cases be exceeded with the approval of the relevant EA.
- (5) Should the budgeted amount (i.e. 1,5%) for cash bonuses prove to be insufficient to award the maxima of 9% and 14% to deserving members, departments will have to manage the situation by scaling down the applicable percentages to be granted or setting tighter standards for the granting of cash bonuses.
- (6) In the case of HoDs of national departments and of those provinces who have adopted the system for the evaluation of HoDs issued by the Office of the Public Service Commission, the assessment processes outlined by the Commission must be followed. HoDs will, however, qualify for the same performance rewards as other SMS members, with the understanding that the 10% non-pensionable HoD allowance should not be factored into the total remuneration package when calculating the percentage cash bonus.

- (7) The following table summarises the cut-off points and maximum percentages that will apply for the awarding of cash bonuses:

CASH BONUSES		
CATEGORIES	TOTAL SCORE	CASH BONUS
Outstanding performance	150% - 167%	In the range 10%-14%
Performance significantly above expectations	130 – 149%	In the range 5%-9%

- (8) The cash bonus is calculated on the member's package at the time she/he completed the 12 months assessment cycle, i.e. 31 March.

15.4 Pay progression system

- (1) Pay progression is an upward progression in remuneration from a lower remuneration package to a higher remuneration package (one remuneration package at a time). This is effected by way of progression within the same remuneration band from the lowest to the highest package based on a time schedule of 12 months to a member of the SMS who achieves a total score of 100% and above (fully effective). The pro – rata principle does not apply to pay progression.
- (2) This centralised pay progression system is applicable to all members of the SMS (in a full-time capacity) including Senior Professionals (in a full-time and part-time capacity) on SMS Grades 13 to 16 who are on a **standard remuneration band** and who are assessed and received at least a **fully effective assessment** with a total score of 100% and above in terms of the PMDS.
- (3) The assessment for pay progression shall be in terms of the PMDS.
- (4) Although the implementation date of this system was 1 April 2002, the first pay progression could only be effected on 1 April 2003.
- (5) First progression was based on assessments for the period 1 April 2001 to 31 March 2003: Provided that the affected members were at least in service for a period of 24 months on their relevant remuneration packages on 1 April 2003.

- (6) Future progression cycles w.e.f 1 April 2006 will run for a period of 12 months, commencing on 1 April of a particular year. This means that effective from the said date, members would qualify on an annual basis for pay progression.
- (7) Members must have been on a specific remuneration package within a band for at least one year (12 months) in order to be considered for pay progression with effect from the next 1st of April. **(In practice this may have the effect that a member appointed/promoted with effect from 1 May of a year to a SMS position shall only qualify 23 months later for possible pay progression.)**
- (8) Members shall be eligible for progression to the next higher remuneration package, within the relevant remuneration band, after completion of at least one year service at the current remuneration package and she/he should have received at least a fully effective assessment with a total score of 100% and above on completion of the assessment cycle.
- (9) If a member is appointed/retained on a higher remuneration package in terms of the recruitment and retention policy (Part V.C3 of Chapter 1 of the PSR) she/he shall also be eligible for pay progression as outlined above (i.e. completion of qualifying periods on the specific remuneration package and after being assessed).
- (10) Members who benefit from this pay progression system during a financial year will receive the benefit in addition to possible annual cost-of-living package adjustments.
- (11) This system does not affect the authority of EAs to award higher packages to members within the scope of their remuneration bands in terms Part V. C3 of Chapter 1 of the PSR.
- (12) Members who are awarded a higher remuneration band by EAs (in terms of Part V. C3 of Chapter 1 of the PSR) that does not correlate to the job weight attached to their job, shall not qualify for pay progression in the higher remuneration band. This relates to members who were on personal notches and translated to a remuneration package that is above the salary level or remuneration band linked to the job weight.

- (13) Members may receive a (once-off) performance (cash) award and pay progression in the same year if the member has achieved a total score of 130% or more - see paragraph 15.3 for performance rewards.

15.5 Non-financial rewards

- (1) Other more creative rewards for performance, which are non-monetary, need to be explored and used. The ideal way of doing this is to discuss the nature of non-monetary rewards preferred by managers within a particular department, and to develop policy guidelines accordingly.
- (2) The following examples of non-financial rewards could be applied:
- (a) Increased autonomy to organize own work, trust and the resources to carry on doing what you have proved you do well;
 - (b) Explicit acknowledgement and recognition in publications or other publicity material; and
 - (c) Public awards of various kinds made by senior leadership in recognition of a specific achievement or innovation or for consistent achievement over a specific period.
- (3) Departments using any reward system must ensure that it is clear, transparent and fair or it may actually end up being de-motivating to other members.

“15.6 Linking the rating scale to specific consequences

- (1) Departmental policy should make either a direct or indirect link between performance appraisal ratings and specific consequences for members of the SMS.
- (2) If a direct link is made, the policy should specify for each rating what such consequences would be.
- (3) Departments may, however, prefer a more indirect link to be made that would enable supervisors to consider other factors in making final decisions. Other situational factors departments might want to consider are:
- (a) The level of difficulty and uncertainty in a specific job;
 - (b) Whether the incumbent has taken on a new area of responsibility;

- (c) Whether the incumbent is on probation and not yet familiar with all aspects of the job;
 - (d) Whether the incumbent has acted on learning from past experience; and
 - (e) The labour market and the scarcity of a particular skill or expertise.
- (4) The following illustrates the relationship between performance rating and decisions in other areas:
- (a) **OUTSTANDING PERFORMANCE (150% - 167%)**
 - Appointment confirmed after probation
 - For a score range of 150% and above, 10 to 14% of total remuneration package may be awarded as cash bonus (taking into account a framework determined by MPSA)
 - Progression to next higher package in remuneration band (within framework determined by MPSA)
 - Access to development opportunities in line with promotion along career path
 - (b) **PERFORMANCE SIGNIFICANTLY ABOVE EXPECTATIONS (130 - 149%)**
 - Appointment confirmed after probation
 - For a score range between 130 - 149%, 5 to 9% of total remuneration package may be awarded as a cash bonus (within framework determined by the MPSA)
 - Progression to next higher package in remuneration band (within framework determined by MPSA)
 - Access to development opportunities in line with promotion along career path
 - (c) **FULLY EFFECTIVE (100 - 129%)**
 - Appointment confirmed after probation
 - Progression to next higher package in remuneration band when total score is 100% or higher (taking in account a framework determined by MPSA)
 - Access to development opportunities to improve results in areas of less than excellent performance and in line with promotion along career path

(d) **PERFORMANCE NOT FULLY EFFECTIVE (70 - 99%)**

- Depending on the percentage in the range: Probation extended, appointment confirmed after probation, or employment terminated (after prescribed incapacity procedures have been followed)
- Performance is not fully effective and therefore does not qualify for package progression.
- Performance improvement measures agreed and responsibility for remedial action identified
- Agreed programme for supporting and monitoring performance improvement

(e) **UNACCEPTABLE PERFORMANCE (69% and lower)**

- Probation can be extended or employment terminated (after prescribed incapacity procedures have been followed).
- Performance improvement measures agreed and responsibility for remedial action identified
- Agreed programme for supporting and monitoring performance improvement

- (5) Departments will need to clearly indicate in their PMDS policy whether there is a direct or indirect link between specific ratings and specific consequences and what that might be. If the link is indirect, departments must indicate what additional factors will be taken into account.”

15.7 Moderation of agreements and performance appraisal results

- (1) The EA shall appoint a committee that can assist her/him to ensure that effective PAs that lay a fair basis for appraisal are developed and reviewed. This committee should ensure that there is consistency across the department in the development of performance standards and measures.
- (2) The committee should also moderate assessment results and make recommendations to the EA on the granting of performance rewards and pay progression.

- (3) The process of moderation should not become a bottleneck that slows down the finalisation of agreements and performance appraisal results.
- (4) Departmental Corporate Services Units should support this committee, individual supervisors and jobholders in the process of developing PAs and reviewing/appraising performance. They should also be able to provide technical advice for the ongoing development and maintenance of the PMDS policy and system. Moreover they need to assist with financial calculations on the granting of rewards.
- (5) If the committee identifies deviations, these should be returned to the supervisor together with a reason why the issue is unacceptable to the moderating committee. This should be accompanied by a request for review. Unless it is an overall appraisal score adjustment that alters the appraisal scores of all members by the same percentage, the Moderating Committee is discouraged from changing an individual member's appraisal score, without first referring the issue back to the supervisor who made the initial assessment.

15.8 **Corrective measures for dealing with performance not fully effective**

(1) **Members on probation**

- (a) Members who perform unsatisfactorily during probation must be dealt with in the following manner:
 - Training/re-training
 - Counselling/coaching
 - Be given a verbal and subsequently a written notice on extension of their period of probation.
 - Supervisors should be able to determine during the process of assessment of performance what the reason for unsatisfactory performance is. Corrective measures should be designed accordingly and suitable action be taken. The considerations mentioned in par 6.1(7) also apply here.

(2) **Members permanently employed**

(1) Supervisors are responsible for dealing with unsatisfactory performance of managers within the period of assessment. Supervisors should take into consideration the following:

- The need to set clear performance standards
- Provision of enabling working facilities and resources
- Counselling/coaching
- Training/re-training

15.9 **Personal development plan**

(1) To address the gap that exists between the required competency profile and actual competencies needed, a training and development plan will be designed for the individual member. The training and development needs will not only be identified during performance reviews and assessments, but also on initial appointment when the work plan is developed.

(2) Members should have ongoing and equitable access to development. Development should support work performance and career development, driven by the needs of individual members linked to their department's strategic plan and operational plans.

(3) Training and development activities will focus on equipping members with the competencies they require to perform effectively in their current jobs and to prepare them for the future. The training and development needs of the members will be determined through continuous monitoring, quarterly reviews and annual assessments. Also refer to paragraph 10.6 regarding the self-assessment tool.

16. OVERSIGHT AND MODERATION

16.1 The roles and responsibilities of the key role-players with regard to oversight and moderation of the PMDS are largely determined by the legal and regulatory framework.

(1) The role of **DPSA** is to:

- (a) Provide directives and guidelines to supplement the PSR in identified areas;

- (b) Work with departments to determine, to develop and refine the reward framework;
 - (c) Pro-actively support problem-solving approaches on performance management and other systems in the public service;
 - (d) Better facilitate learning through benchmarking and assisting departments to develop better measures of performance against strategic objectives; and
 - (e) Support and advise the MPSA in fulfilling her/his responsibilities in regard to the PMDS.
- (2) The role of the **EA** is to:
- (a) Ensure that there is a performance management policy and approved system in place in her/his department.
 - (b) Adapt the PMDS used in the department, based on experiences during the implementation process.
 - (c) Hold the HoD accountable for performance under her/his own performance agreement.
 - (d) 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.
 - (e) Ensure that a mechanism is in place for the development of effective PAs and the moderation of appraisal results; and
 - (f) Ensure that a PA is entered into with the HoD within the defined timeframe.
- (3) The role of the **HoD** is to:
- (a) Ensure that the department designs or chooses and communicates among all its members a suitable PMS, underpinned by the use of a PA. As a minimum, the HoD ensures that there is articulation between the system for SMS members and that used by the rest of the department;

- (b) Lead by example, completes and adheres to her/his PA, champion and enforce compliance by all SMS members to their PAs.
 - (c) Build a culture of performance and open discussion in her/his department to enable the PAs to be fully and appropriately developed and implemented;
 - (d) Ensure that the compulsory fields provided on **PERSAL** relating to performance management for members of the SMS are kept up to date and properly maintained;
 - (e) Ensure that all the strategic resources are effectively utilised and other planning processes are efficiently run, in order to support implementation of the departmental strategic plan;
 - (f) Require of every member to prioritise the correct implementation of the department's PMDS;
 - (g) Make provision for a database for capturing and updating all performance assessment results;
 - (h) Make decisions based on recommendations, whether they be for recognition or sanction; and
 - (i) Take final decisions on sanctions, especially where they are being disputed.
- (4) The role of the **HR or Corporate Services Unit** is to:
- (a) Facilitate the full understanding of the PMDS, and implementation of PAs in their departments;
 - (b) Assist the HoD to develop the best PMDS required for that department and to maintain/refine the system;
 - (c) Assist the EA in assessing and managing appraisal results and reward or sanction recommendations;
 - (d) Provide information on how the whole process is being implemented to monitoring bodies such as the DPSA and PSC, as required;

- (e) Play a significant role in furnishing the moderating committee with accurate, comprehensive and statistical information; and
 - (f) Provide the administrative support to the HoD to comply with the requirements in par 16.1(3) above.
- (5) The role of all members of the **SMS** is to:
- (a) Ensure that they complete and implement their own PAs; and
 - (b) Commit to proper implementation policy and procedures agreed in their department on the implementation of the PMDS.
- (6) The role of the **PSC** is to:
- (a) Monitor the effective implementation of the PMS as a whole, in line with the PSC's constitutional mandate;
 - (b) Develop and align the PA system for HoDs to the system described in this chapter;
 - (c) Assume responsibility for providing a comprehensive support service to all EAs; and
 - (d) Act as custodian of the signed agreements, and should ensure that all EAs submit the signed PAs by the end of April each year.

17. RECORDING PERFORMANCE RELATED DATA

17.1 Performance management data collection, recording and aggregation are vital to the continued efficient implementation of the system. The systems for data collection on performance must allow aggregation and cross-checking against performance criteria at the relevant level. In this regard, aggregated performance data can be used to discuss team and group progress during meetings.

17.2 All performance reviews and annual appraisals should be fully recorded, and the resultant records signed as a true reflection of the discussion and outcome by both the SMS member and the supervisor. This is done:

- (1) As a basis for future action, e.g. in meeting training and developmental needs;

- (2) As evidence for both parties agreeing to what has taken place;
- (3) As an indication to the manager that performance matters are being taken seriously and documented; and
- (4) As an indication that departmental PM procedures are being implemented correctly.

17.3 The following data and information should be stored in an HR information system:

- (1) All results of performance reviews and annual appraisals, including discussions, as well as counselling provided;
- (2) All performance related pay and rewards given to the manager year on year, indicating the level of performance being rewarded and the nature of the reward; and
- (3) All disputes that had to be resolved. The record must include any disagreements voiced by the manager regarding any aspect of the assessment and how this was resolved.

17.4 DPSA will arrange with PERSAL for the introduction of appropriate fields to capture the results of performance assessments and for processing decisions on pay progression and performance rewards.

18. CONFIDENTIALITY

All personal performance information recorded as suggested above must be kept confidential and only be released to third parties (other than the SMS member and her/his supervisor or EA/HoD as employer) with the member's written permission.

19. REPORTING

The MPSA will determine which information pertaining to the PMDS system for the SMS must be included in the annual reports of departments. Proper record keeping will facilitate the collection of data.