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Date :  
Letlha : **29/05/2014**  
Umhla :  
Datum :

Reference :  
Tshupelo : **EPMDS Policy**  
Isalathiso :  
Verwysings :

**To:** All Staff Members  
Northern Cape Department of Health

Dear Colleagues

**Re: EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM (EPMDS) POLICY**

The Employee Performance Management and Development System Policy was developed and approved by the Office of the Premier on the 26 June 2010. It was agreed at the Bargaining Chamber that the EPMDS is a transversal policy, which will be applicable to all sector departments within the Northern Cape Provincial Administration.

The attached policy must then henceforth be implemented by all employees of the Northern Cape Department of Health.

Regards,

**Ms G.E Matlopane**  
Deputy Director-General: Department of Health



**NORTHERN CAPE PROVINCIAL  
ADMINISTRATION**

**EMPLOYEE PERFORMANCE  
MANAGEMENT AND DEVELOPMENT  
SYSTEM**

**[EPMDS]**

**[April 2010]**



## EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM (EPMDS)

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### ACRONYMS

AAP	Assessment Appeal Panel
CAR	Confirmed assessment rating (by DMC)
CMC	Core management criteria
DG	Director-General
DMC	Departmental Moderating Committee
DPSA	Department of Public Service and Administration
EA	Executive Authority
GAF	Generic assessment factor
HOD	Head of Department
HRD	Human resource development
HRM	Human resource management
IRC	Intermediate Review Committee
KRA/KPA	Key result area/Key Performance Areas
MEC	Member of the Executive Council
MMS	Middle Management Service (as from 1 July 2005)
MPSA	Minister for the Public Service and Administration
MTEF	Medium Term Expenditure Framework
PA	Performance agreement
PAR	Provisional assessment rating
PDP	Personal development plan
PFMA	Public Finance Management Act, 1999
PMDS	Performance Management and Development System
PSA	Public Service Act, 1994
PSC	Public Service Commission
PSCBC	Public Service Co-ordinating Bargaining Council
PSR	Public Service Regulations, 2001
OSD	Occupation Specific Dispensation
VAR	Validated assessment rating



## GLOSSARY OF TERMS

**Annual performance rating:** The annual performance rating as part of an employee's assessment that takes place at the end of the performance cycle. The result of this rating is the overall annual performance score for the employee during the entire performance cycle.

**Assessment instrument:** An assessment tool used to assess the performance of an individual employee in relation to the achievement of key result areas/key performance area and core management criteria or generic assessment factors as contained in the workplan of the performance agreement.

**Competency:** A competency is a particular mix of knowledge, skills and attributes required to effectively perform a job/task/role.

**Confirmed assessment rating:** The assessment score for an employee that has been confirmed by the departmental Moderating Committee (see also validated and provisional assessment rating).

**Core Management Criteria (CMC):** An element of knowledge, skill, or attribute applicable to salary level 9-12.

**Development:** Training and development activities to enhance the employee's competencies and to improve performance.

**Executive Authority:** Refers to a Member of the Executive Council (Premier/MEC).

**Generic Assessment Factor:** An element used to describe and assess aspects of performance, taking into consideration knowledge, skills and attributes, applicable to salary level 1-8.

**Grievance rules:** The rules for dealing with the grievances of employees in the Public Service, published by the Public Service Commission in Government Notice R 1012 of 25 July 2003, Government Gazette No. 25209.

**Incentive Policy Framework:** Salary Level 1 to 12: DPSA circular 1/7/1/4/1, dated 27 January 2003: "Implementation of an incentive policy framework linked to departmental performance management systems for employees on salary levels 1 to 12."

**Key Result Area/Key Performance Areas (KRA/KPA):** An area of a job in which performance is critical for making an effective contribution to the achievement of departmental strategies, goals and objectives

**Moderation:** The review of employee assessment scores by a committee to ensure consistency and fairness across the department through a common understanding of performance standards required at each level of the rating scale and to assist in complying with the requirement that expenditure on bonuses should not exceed 1.5% of the remuneration budget and 1% of the wage bill

**Operational plan(s) (or business plan):** A one-year plan derived from and giving life to the strategic plan by translating the strategic objectives identified in the strategic plan into key result areas and activities with measurable standards, for a particular year for the Department, Branches, Chief Directorates and Directorates.

**Outcome:** A broad statement about a specific objective, aim or intent, the achievement of which will require one or more specific outputs to be achieved.



**Output:** A concrete result or achievement (i.e. a product, action or service) that contributes to the achievement of a key result area.

**Performance:** Performance is a process in which resources are used in an effective, efficient and productive way to produce results that satisfy requirements of time, quality and quantity, and which are the effect or outcome of the actions or behaviour of a performer in the work process.

**Performance agreement:** A document agreed upon and signed by an employee and her or his supervisor, which includes a description of the job, selected KRAs and GAFs, a workplan and the employee's personal development plan.

**Performance appraisal:** The annual measurement, rating or appraisal of employee performance.

**Performance cycle:** A 12-month period for which performance is planned, managed and assessed. It must be aligned to the same period as the Department's annual business plan i.e. 1st April to 31st March of the following year.

**Performance incentives:** A set of (a) financial rewards linked to the results of performance appraisal, including pay progression, performance bonus, and (b) a variety of non-financial rewards that may be contained in the departmental performance incentive scheme.

**Performance bonus:** A performance bonus is a financial award granted to an employee in recognition of sustained performance that is significantly above expectations and is rated as such in terms of the rating scale.

**Performance incentive scheme:** A departmental performance related incentive scheme aligned with its performance management system, established in terms of PSR 1/VIII F and G.

**Performance indicator:** A measure used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).

**Performance management:** A purposeful, continuous process aimed at managing and developing employee behaviour for the achievement of the organisation's strategic goals; the determination of the correct activities as well as the evaluation and recognition of the execution of tasks/duties with the aim of enhancing their efficiency and effectiveness; and a means of improving results from the Department, teams and individuals by managing performance within an agreed framework of planned goals, objectives, standards and incentives.

**Performance management system:** An authoritative framework for managing employee performance, which includes the policy framework as well as the framework relating to all aspects and elements in the performance cycle, including performance planning and agreement; performance monitoring, review and control; performance appraisal and moderating; and managing the outcomes of appraisal.

**Performance standard:** Mutually agreed criteria to describe work in terms of time-lines, cost and quantity and/or quality to clarify the outputs and related activities of a job by describing what the required result should be. In this framework, performance standards are divided into indicators and the time factor.

**Performance review/Performance Assessment:** A structured and formal, quarterly review between supervisor and employee to monitor progress, resolve problems and adjust work plans during the performance cycle, thereby providing an opportunity for improvement before the annual review takes place.



**Personal development plan (PDP):** A requirement of the performance agreement whereby the important competency and other developmental needs of the employee are documented, together with the means by which these needs are to be satisfied and which includes time lines and accountabilities.

**Provisional assessment rating (PAR):** An employee's total assessment rating score that has been agreed upon between the employee and her/his supervisor.

**Rating:** The allocation of a score to a KRA/KPA, a GAF/CMC and/or to overall performance in accordance with the five-point rating scale.

**Strategic planning:** The process by which top management determines the overall strategic direction and priorities, as well as the organisational purpose and objectives and how they are to be achieved

**Supervisor:** An official at least at SL8 (where applicable) responsible for the allocation of work, monitoring of activities, discussing performance and development, and quarterly performance review/assessment and annual performance appraisal of an employee.

**Weight:** With reference to the inclusion and assessment of KRAs/KPA's and GAFs/CMC in the performance agreement/workplan, each KRA/KPA and GAF/CMC is allocated a weight or percentage, which indicates the relative importance or impact of the specific KRA or GAF in comparison to the others selected in the performance agreement, and the combined weights must add up to 100%.

**Workplan:** A document which is part of the performance agreement and which contains key result areas/key performance areas, associated outputs/activities and their performance standards/indicators and resource requirements.

## **EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM (EPMDS)**

### **1 INTRODUCTION**

The White Paper on Human Resource Management (December 1997) and the Public Service Regulations of 2001, as amended 2008, signalled a new approach to performance management and development in the Public Service.

As a result the Northern Cape Departmental Provincial Administration adopted and implemented the Performance Management and Development System (PMDS) in 2006 financial year after consultation in the Provincial Public Service Coordinating Bargaining Council in October 2006.

Since the implementation of PMDS, DPSA has developed the Employee Performance Management and Development System(EPMDS) in 2007.

Subsequently the EPMDS has been studied and discussed at the Provincial HR Forum, and refined, adapted and simplified to meet the requirements of the NCPA. It should be noted that the changes are still within the framework of the DPSA policy.

This change is aimed at inculcating a culture that emphasizes Performance Management as a systematic and transformational process of aligning individual performance with the Departmental strategy. It provides a standardized framework for employee performance on salary levels 1-12. It also bring the calculation in line with the SMS assessment.

The policy would be effective as from on 1 April 2010 for the 2010/2011 financial year.



## 2. SCOPE AND APPLICATION

The Northern Cape Provincial Administration EPMDS is a framework for performance management that applies and is compulsory to all permanent and probation employees on salary level 1 to 12 appointed in terms of the Public Service Act, 1994. The policy is also applicable to contract workers who are employed for longer than twelve(12) months and who completed a full cycle (01 April to 31 March), unless the contract determines otherwise .

This policy is effective from 01 April 2010.

Individual Departments are not allowed to develop their own EPDMS policy.

## 3 SOURCES OF AUTHORITY

- The Constitution of the Republic of South Africa, 1996
- The Public Service Act, 1994, as amended 2007
- The Public Service Regulations, 2001 (Chapter 1, Part VIII)
- The Skills Development Act (Act 97 of 1998)
- The Labour Relations Act (Act 66 of 1995)
- Promotion of Equality and Prevention of Unfair Discrimination Act, (Act 4 of 2000)
- Promotion of Access to Information Act (Act 2 of 2000)
- Employment Equity Act (Act 55 of 1998)
- Public Finance Management Act, 1999
- Promotion of Administrative Justice Act, 2000
- White Paper on Transformation of the Public Service, 1995
- White Paper on Human Resource Management, 1997
- White Paper on Affirmative Action, 1998
- White Paper on Transforming Public Service Delivery (Batho Pele), 1997
- White Paper on Public Service Training and Education, 1998
- Treasury Regulations, 2001
- Relevant collective agreements
- Relevant directives issued by the MPSA and, departmental policies

## 4 PURPOSE

The purpose of this policy is to optimise employee's output in terms of quality and quantity, thereby improving the Department's overall performance and service delivery. It is also to provide guidelines and procedures of performance management .

## 5 OBJECTIVES

The objectives of this policy are to-

- establish a performance and learning culture in the Public Service;
- improve service delivery;
- ensure that all jobholders know and understand what is expected of them;
- promote interaction on performance between jobholders and their supervisors;
- identify, manage and promote jobholders' development needs;
- evaluate performance fairly and objectively;
- recognise categories of performance that are fully effective and better; and

- manage categories of performance that are not fully effective and lower.

## **6 PRINCIPLES**

The key principles underpinning effective performance management are the following –

- To manage performance in a consultative, supportive and non-discriminatory manner.
- Performance management processes shall link to broad and consistent staff development plans and align with the department's strategic goals
- Performance management processes shall be developmental, and shall allow for recognising fully effective performance, and for an effective response to performance that is consistently not fully effective and lower
- Performance management procedures should minimise the administrative burden on supervisors while maintaining transparency and administrative justice

## **7 POLICY PROVISIONS**

### **7.1 Performance Cycle**

The performance cycle shall be a 12-month period for which performance is planned, executed and assessed, which is 1st April to 31st March of the following year. The 12-month cycle is also linked to the financial year for the purpose of planning, pay progression and other performance related incentives such as performance awards or cash bonuses.

### **7.2 Employees on Probation**

An employee's probationary period will not necessarily coincide with the 1 April to 31 March cycle however the EPMDS assessment tool must be used for assessment/review and the results captured in the quarterly probation assessment form.

At expiry of the probationary period the supervisor shall through the Annual Appraisal confirm the permanent appointment of the probationer, provided the probationer has rendered a fully effective performance. If the probationer is not deemed suitable for the relevant post, other options such as the extension of probation, formal registration on the incapacity programme or as a last option, dismissal, should be considered.

### **7.3 Performance Agreement**

All permanent employees including those on probation must enter into a performance agreement within first the month of appointment.

A Performance Agreement without a completed and attached work plan should be regarded as invalid and of little use in the performance management process.

If there are significant changes and additions to the job, a new performance agreement and work plan should be signed in which these changes should be reflected in the new PA and Work plan.



If an employee changes jobs during the performance cycle, but remains at the same level, a new PA must be entered into for the new role and the performance assessment should take both periods into consideration.

Only supervisors on level 8 (where applicable) or higher are authorised to enter into a performance agreement with another employee on behalf of the department.

The contents of the Performance Agreement should reflect the specific department's strategic and annual operational plan, component business plans and the employee's job description, job role and actual activities and responsibilities.

The PA and Work plan against which an employee is assessed at the end of the cycle must accurately reflect the employee's actual activities and outputs during the entire performance cycle.

#### **7.5 Performance Assessment Instruments**

All Departments in the province shall use standard performance assessment review forms, which are performance agreement, work plan, quarterly review/assessment, personal development plan and annual appraisal forms.

#### **7.6 Non Compliance**

Deliberate refusal (by employee or failure (by supervisor/manager) to sign a performance agreement and work plan, including deliberate refusal (by employee) or failure (by supervisor/manager) to be assessed on a quarterly basis shall result in disciplinary action being instituted, and forfeiture of performance rewards.

#### **7.7 Assessment of Shop Stewards**

The confirmation of full-time shop stewards by the Department in terms of the General Public Service Sectoral Bargaining Council (GPSSBC) Resolution 3 of 2001, as amended by Resolution 1 of 2004 on the appointment of full time shop stewards in general Public Service Sector Bargaining Council, will be by way of a secondment.

For assessment purposes, the relevant department may conclude an agreement with the relevant Trade Union, prior to the period of office of the Full-time Shop Stewards commencing, regarding application of the performance management policy in terms of the Performance Agreement, Workplan, Quarterly assessments and performance rewards, during the period of office.

#### **7.8 Assessment Criteria**

The criteria upon which the performance of an employee is assessed shall consist of Key Result Areas/Key Performance Areas (KRAs/KPAs) and the Generic Assessment Factors/Core Management Criteria (GAFs/CMCs) which are contained in the PA. Each employee must be assessed against both areas. KRAs/KPAs covering the main areas of work will account for 80% of the final

assessment, while the GAFs/CMCs make up the other 20% of the assessment score.

The minimum number of KPA/KRA shall be three (3) and maximum six (6) to be included in a PA. Each KRA should be broken down into measurable outputs and/or duties/responsibilities and activities. Each KRA/KPA should be weighted (in %) according to the importance it has in the employee's job.

The supervisor and employee must agree on at least five (5) and maximum seven (7) GAFs/CMCs that are deemed to be most important for effective performance in that particular job. The service delivery (Batho Pele) imperative must as far as possible be applied in assessing these GAFs/CMCs.

#### CMC's

Applied Strategic thinking  
 Applying Technology  
 Budgeting & Financial Management  
 Continuous Improvement  
 Customer Focus and Responsiveness  
 Developing Others  
 Diversity Management  
 Impact and Influence  
 Managing Interpersonal Conflict  
 Technical skills  
 Networking and Building Bonds  
 Planning and Organizing  
 Problem Solving and Decision Making  
 Project Management  
 Team Leadership

#### GAFs

Job knowledge  
 Acceptance of responsibility  
 Quality of work  
 Reliability  
 Initiative  
 Communication  
 Interpersonal relationships  
 Flexibility  
 Team work  
 Planning and execution  
 Leadership  
 Delegation & Empowerment  
 Client service focus  
 Quality of supervision  
 Management of finances & personnel  
 Work output  
 Performance under pressure  
 Safety mindedness

Employees should be assessed against the selected GAFs/CMCs applicable to their jobs. To adapt the GAFs to specific jobs and job contexts, the employee and supervisor will need to –

- Decide which of the GAFs/CMCs apply to the employee's job.
- Weigh each relevant GAF/CMCs to show the extent to which it relates to the specific job.

Employees should be assessed based on a portfolio of evidence that reflects how each KPA/KRA and GAFs/CMCs has been achieved

The Portfolio of Evidence shall be applicable for all level of performance in terms of the rating scale and shall be submitted at the end of the financial year with the Annual Appraisal.

The Performance Agreement may include a Personal Development Plan, which may be submitted on a quarterly basis as informed by the assessment/review



outcome. The PDP should include interventions relating to the technical or occupational "practical skills" of the job e.g. appropriate training interventions, on-the-job training, expanded job exposure, and job rotation. The employee and the supervisor are required to take joint responsibility for the achievement of the PDP with allocated accountabilities clearly recorded on the PDP agreement document.

#### 7.9 Prolonged Absence of Leave

The Performance Agreement together with the work plan, should be re-negotiated if the employee has not been in the job role for three months or more for any reason, as for example, maternity, ill health, study, secondment, or travel; unless this absence was built into the original agreement.

In the case of other forms of absence for a continuous prolonged period of time, supervisor and employees should have a discussion to reach mutual agreement on the ability to execute a meaningful rating for that period or for an annual assessment. While an employee is not penalised for any form of formally approved leave, it is also true that an employee who has been absent for a prolonged period, has not rendered the same extent of service as an employee who did not have such prolonged leave.

Employees who are absent from work due to precautionary suspension and disciplinary action, should not be prejudiced in terms of performance assessments and rewards. In such case, the employee and supervisor should reach mutual agreement on an acceptable rating for that period.

#### 7.10 Acting in Higher Positions

In the case where an employee is appointed to act in a position for shorter than six weeks, the work plan should be based on the post which the employee is permanently appointed. Depending on the employee's performance during the periods of acting, recognition for performance of the duties of the higher position should be given during the performance assessment, on the work plan of the permanent post.

In the case where an employee is acting in a higher position for longer than six weeks, where an acting allowance is being paid, a work plan must be compiled for the higher position that the employee would be expected to perform against. The performance of the employee, acting in the higher position, will be assessed in terms of the amended work plan, against standards applicable to the level of the employee's permanent position. Performance incentives must be calculated at the salary level of the post to which the employee is permanently appointed, based on the employee's salary notch on 31 March of the cycle.

#### 7.11 Staff Movement

Staff members changing jobs within the department during the PMDS cycle, performance reviews related to the employee vacating the post have to be completed prior to moving to the new position. When an employee is transferred to another department, a progress review discussion will be conducted for the current PMDS cycle prior to the employee leaving the department. In the case of



supervisors, regardless of the reason for their departure, they will be required to assess their staff prior to departure.

In the case of lateral transfers, it is the responsibility of the releasing department to provide their most recent performance assessment to the new department.

Employees promoted in the middle of a financial year, e.g. 01 May, shall enter into a new performance agreement and adjust the work plan to reflect the job content of the new post. The agreement shall be valid from the time of promotion until the end of the financial year. In this regard the employee shall not qualify for any performance financial rewards for the financial year he/she was promoted in.

Employee rotation should be done on quarterly basis between components or units, the releasing and receiving manager/supervisor should communicate and conduct a consolidate review or assessment for the specific period or quarter under review.

## **8 Performance Review/Assessment**

- 8.1 An employee's supervisor shall review/assess the employee's performance on a quarterly basis, which is: quarter 1(April-June), quarter 2(July-September), quarter 3(October-December) and quarter 4 (Jan-March) of the following year.
- 8.2 Quarterly reviews/assessments shall be on a one-on-one basis between the employee and the supervisor which is confidential and the outcomes shall be signed by both parties.
- 8.3 If there is consensus between the supervisor and employee on the rating, this becomes the **provisional assessment rating (PAR)**. The employee's provisional rating shall be submitted to the EPMDS Unit, which shall then submit the information to the Moderating Committee after quality assurance.
- 8.4 If there is a disagreement that cannot be resolved between themselves on the scores given, the employee and supervisor must each note their reasons, and these must be submitted to a mutually agreed mediator as was identified in the Performance Agreement for mediation before moderation. If this mediation is not resolved within five days, the records of the proceedings may later be used in the event that the employee submits a grievance.
- 8.5 The employee's supervisor shall conduct an annual appraisal which is a consolidation of overall performance that is the total of KRAs/KPAs and GAF/CMC for the year.
- 8.6 A rating calculator provided, shall be used to provide an overall score of KRAs/KPAs and the GAFs/CMCs.

## **9. Categories of performance and rating scale**

- 9.1 The following five **categories of performance** shall be used for the purpose of performance rating, review/assessment and the annual appraisal of employees:



RATING	CATEGORY	DESCRIPTION
1	UNACCEPTABLE PERFORMANCE	Performance does not meet the standard expected for the job. The review/assessment indicates that the jobholder has achieved <u>less than fully effective results against almost all</u> of the performance criteria and indicators as specified in the Performance Agreement and Workplan.
2	PERFORMANCE NOT FULLY EFFECTIVE	Performance meets some of the standards expected for the job. The review/assessment indicates that the jobholder has achieved <u>less than fully effective results against more than half</u> of the performance criteria and indicators as specified in the Performance Agreement and Workplan.
3	PERFORMANCE FULLY EFFECTIVE	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	PERFORMANCE SIGNIFICANTLY ABOVE EXPECTATIONS	Performance is significantly higher than the standard expected in the job. The review/assessment indicates that the jobholder has achieved <u>better than fully effective results against more than half</u> of the performance criteria and indicators as specified in the Performance Agreement and Workplan and fully achieved all others throughout the performance cycle.
5	OUTSTANDING PERFORMANCE	Performance far exceeds the standard expected of a jobholder at this level. The review/assessment indicates that the jobholder has achieved <u>better than fully effective results against all</u> of the performance criteria and indicators as specified in the PA and Workplan and maintained this in all areas of responsibility throughout the performance cycle.

## 10 PERFORMANCE MODERATION

### 10.1 Intermediate Review Committee(IRC)

Departments must establish(this can be done at the discretion of a department) an intermediate review committee (between the supervisor and the moderation committee(senior manager) for reviewing/moderating the provisional assessment rating of employees. The nature and size of such committee will depend on the size and structure of the department.

### 10.2 Performance Moderation Committee

Each department shall establish a Moderating Committee for salary levels 1 to 12 employees, which shall meet at least twice a year. The individual departments shall determine the number of committees needed, given the size of the department, but the composition shall as a minimum have the following officials: Finance, Labour Relations, Human Resources Development, Performance Management at the appropriate or relevant level or designation and a designated Union Representative(for observer status).

### 10.3 Assessment Appeal Panel

Each department shall establish an Assessment Appeal Panel.

The Panel will be constituted by senior managers/managers internally or externally with relevant expertise of PMDS as dictated by the nature of the disagreement.

The Assessment Appeal Panel shall be constituted by the HOD for specific cases and must include expertise of the line function, performance management and labour relations. The Panel will consider written representations from employees in the event of a disagreement and after submission in writing to the HOD.



## 11. **Managing performance that is not fully effective**

- 11.1 Supervisors are required to first identify poor performance and then, in line with a developmental approach, deal with unacceptable performance of employees under their supervision. The supervisor must comply with the procedural requirements of PSCBC Resolution 10 of 1999 and Resolution 1 of 2003 – “Incapacity Code”.
- 11.2 The annual performance assessment of the employee, should not be the first indication of the employee’s shortcoming as “not fully effective” or lower. Performance assessments/reviews should provide an opportunity to ensure this does not happen.
- 11.3 Interventions by the supervisor to overcome performance shortcomings, can include any or all of the following:
- Personal counselling
  - On-the-job mentoring and coaching
  - Formal training/re-training
  - Restating the work plan performance requirements
  - Work environment audits to establish other factors affecting performance.
- 11.4 Should the employee not respond to reasonable and continuous attempts to improve performance and an overall performance assessment score of less than 90% is consistently the result of the assessment process, the employee must be formally registered on an “Incapacity Programme” and be advised of this in writing.

## 12. **Performance Incentives**

- 12.1 Provincial Departments shall adhere to the relevant qualifying periods and criteria for pay, grade and accelerated progression as determined by the relevant Occupation Specific Dispensation. The Employee Performance Management and Development System (EPMDS) policy shall amongst other facilitate the assessment of employees for purposes of such pay, grade and accelerated grade progression.
- 12.2 Employees on salary levels 1 to 12 are eligible for pay progression to the maximum notch of the salary level attached to their posts. Progression to the next higher notch within the employee’s salary level as of 1 July 2003 shall be based on a period of continuous service and performance, and is not automatic.
- 12.3 An employee must complete a continuous period of at least 12 months on her or his notch (1 April to 31 March) and must be performing at least at the level of fully effective (satisfactory), as assessed in terms of the EPMDS **in order to be considered for pay progression**
- 12.4 The pay progression cycle (and the assessment cycle) runs over a continuous period of 12 months, commencing on 1 April of a particular year. Progression takes place annually on 1 July of each year.



- 12.5 An employee remunerated on a salary level (notch/package) above the salary level attached to his/her post(which is a salary level to which she/he is eligible to grade progress), then his/her position is not regarded as being personal.
- 12.6 The provision in 13.4 above is applicable as follows: Employee in posts graded on salary level 1, but who have been remunerated on salary level 2 on a personal position, therefore qualify to be considered for pay progression on salary level 2 on 1 July 2009(and of 01 July of each year).  
Employees in posts graded on salary level 4, 5, 6, 7, 9 &11 respectively, but who have been remunerated on the next higher salary level(above the salary level attached to their posts) on a personal notch, therefore qualify to be considered for pay progression on the mentioned salary level on 1 July 2010(and 01 July of each year thereafter).
- 12.7 Employees who are on the maximum notch of the salary level who have rendered an overall annual performance which is fully effective and above shall not qualify for pay progression, but may be considered for a cash bonus, provided they meet the qualifying criteria.
- 12.8 Recognition of sustained levels of performance(through accelerated grade progression) commences with effect from 01 April 2010.
- 12.9 The progression of qualifying employees on salary level 1 (with 5 years of continuous service) and salary level 2 (with 20 years or combined continuous service on salary levels 1 and 2) with effect from 1 April 2010 will be based on fully-effective performance.
- 12.10 For the purpose of 13.8 above, the average assessment over the last two(performance cycle) will determine the performance rating. The average will be calculated as the sum of the assessment scores for the last two performance cycle (2008-2009 and 2009-2010) divided by two(2).
- 12.11 With effect from 1 April 2010 employees employees on salary level 4, 5, 6, and 7 with 15 years of completed continuous service on the specific salary level and have obtained at least fully-effective rating in their most recent performance assessment shall grade progress(salary) progress to salary level 5, 6, 7 or 8 respectively.
- 12.12 With effect from 1 April 2010 employees on salary level 9 and 11 with 15 years of completed continuous service on the specific salary level and have obtained at least fully-effective rating in their most recent performance assessment shall grade progress(salary) progress to salary level 10 and 12 respectively;
- 12.13 An employee who has performed above fully effective for 12 years cumulatively on a specific salary level, shall grade(salary level) progress from salary level 4 to 5 or from 5 to 6 or from 6 to 7 or 7 to 8 or 9 to 10 or 11 to 12.
- 12.14 No provision is made for accelerated grade progression for salary level 1 to 2 and 2 to 3 due to the combined experience on salary level 1 and 2 being considered for grade progression. Salary progression to the next higher salary level for employees who occupy posts graded on salary level 1 and 2 is capped at salary level 3.



- 12.15 The date of grade progression is linked to the performance management cycle, which is from 1 April to 31 March of the following year. The grade progression of an employee, who meets the qualifying prescribed period of service for grade progression during the course of a performance cycle, will only be effected on 1 April of the year following the particular performance cycle.
- 12.16 Employees appointed in or promoted to a post or awarded a higher salary in terms of the Public Service Regulations (Chapter 1, Part V/C3) with effect from 01<sup>st</sup> May of a year shall not qualify for pay progression and a cash bonus (e.g. An employee appointed on 01<sup>st</sup> May 2009, shall enter into a performance agreement that would last until the 31<sup>st</sup> of March 2010). Such an employee shall for the first time, only qualify based on the cycle that commences on the subsequent 01<sup>st</sup> April (e.g. The employee shall enter into a new agreement like all employees on the 01<sup>st</sup> April 2010 and qualify for pay progression that would be paid in July 2011).
- 12.17 If a higher salary grade is awarded to an employee in terms of Chapter 1, Part V.C.3, grade progression to the next higher salary level shall not apply.
- 12.18 If a post is upgraded and the current incumbent is absorbed into the upgraded post, the qualifying period for grade progression to the next higher(permissible) salary level starts from the date of absorption into the upgraded post.
- 12.19 The cycle for the granting of a bonus runs over a continuous period of 12 months from 1 April of one year to 31 March of the next year. The value of a bonus is calculated on the employee's actual notch for levels 1 – 10 and remuneration package for levels 11-12, but not exceeding the maximum notch of the scale attached to the post.
- 12.20 The cash bonus shall be awarded on the prevailing notch(which is the notch before the annual adjustment is effected)
- 13. Budget Implications**
- 13.1 Departments must annually budget 2% of its wage bill for pay progression and 1, 5% of the remuneration budget for the allocation of performance rewards.
- 13.2 The expenditure for the awarding of pay progression may not exceed the cap of 2% of the department's wage bill.
- 13.3 Departments must not spend more **than 1.5% of its annual remuneration budget** for employees on levels 1 to 12 including Senior Management Service members, on performance cash bonuses. The 1.5% may, in exceptional cases, be exceeded with the approval of the Executive Authority.
- 13.4 The awarding of performance cash bonuses shall be at a ceiling of a **maximum of 18%** of basic salary.
- 13.5 If the allocated budget is insufficient to award incentives to deserving employees, the Departments should scale down the percentages or set tighter



standards for the granting of awards, this should be done at the HOD's discretion.

13.5 MMS members who qualify for performance awards/bonuses are limited to a maximum of **14%** of MMS members' total package.

13.6 The following tables summarize the various measures:

#### Salary levels 1 to 10

PERFORMANCE CATEGORY	TOTAL SCORE	PROBATION	DEVELOPMENT	PAY * PROGRESSION	CASH ** BONUS
Unacceptable performance	69% and lower	Extend probation or terminate ito Incapacity Code	Agree on development programme	-	-
Performance not fully effective	70% - 99%	Extend probation	Agree on development programme	-	-
Performance fully effective (& above)	100% - 114%	Confirm appointment	Agree on development opportunities	1 notch (1%)	-
Performance significantly above expectations	115% - 129%	Confirm appointment	Agree on development opportunities	1 notch (1%)	5% to 8%
	130% - 149%	Confirm appointment	Agree on development opportunities	1 notch (1%)	9% to 12%
Outstanding performance	150% - 167%	Confirm appointment	Agree on development opportunities	1 notch (1%)	13% to 18%

#### Salary levels 11 and 12 (MMS)

PERFORMANCE CATEGORY	TOTAL SCORE	PROBATION	DEVELOPMENT	PAY * PROGRESSION	CASH ** BONUS
Unacceptable performance	69% and lower	Extend probation or terminate ito Incapacity Code	Agree on development programme	-	-
Performance not fully effective	70% - 99%	Extend probation	Agree on development programme	-	-
Performance fully effective (& above)	100% - 114%	Confirm appointment	Agree on development opportunities	1 notch (1%)	-
Performance significantly above expectations	115% - 129%	Confirm appointment	Agree on development opportunities	1 notch (1%)	4% to 6%
	130% - 149%	Confirm appointment	Agree on development opportunities	1 notch (1%)	7% to 9%
Outstanding performance	150% - 167%	Confirm appointment	Agree on development opportunities	1 notch (1%)	10% to 14

13.7 Financial rewards are not always sufficient to motivate staff towards performance excellence. Other creative ways of recognising performance

should be explored, i.e. where the award does not directly lead to "money in the pocket".

13.8 The Provincial Departments may, from time-to-time, at the discretion of the HOD introduce mechanisms for non-financial recognition to encourage performance excellence. However, managers may also introduce different forms of non-financial recognition, provided these remain non-financial, fit into the budget and do not change any basic condition of employment. The following are examples of recognition that can be considered;

- Acknowledgement and recognition of performance excellence i.e. in department publications; specially created awards and certificates; citations at conferences/meetings; attendance at conferences etc.
- Increased autonomy to organise own work and/or increased resources with which to perform work.
- Public awards of various kinds made by management in recognition of a specific achievement or innovation or for consistent achievement over a specific period.
- Specific access to specialised training and development opportunities.

13.9 Departments must keep accurate records of all performance assessments and the outcomes related thereto, including all performance rewards.

#### **14. POLICY REVIEW**

14.1 The policy may be reviewed on an annual basis.

#### **15. Roles and Responsibilities**

##### **15.1 Intermediate Review Committee**

- The IRC may recommend changes of rating score(PAR) including the lowering of scores.
- Any recommended changes in ratings by such a body must be communicated to the supervisors of the employees concerned.
- Any recommendation on the lowering of rating scores must be referred back to the supervisor to try and reach consensus on the change.
- If the supervisor or a mediator cannot convince the employee of a change in the rating, the rating is forwarded to the Moderating Committee.
- After receiving written confirmation of a final assessment rating from the department, an aggrieved employee may submit her/his grievance to the Assessment Appeal Panel.

##### **15.2 Moderating Committee**

The role of the Departmental Moderating Committee shall –



- Moderate quarterly assessments against Performance Agreement, Work plan, work outputs and portfolio of evidence.
- Advise the department on financial and non-financial rewards, including the specific percentage for performance bonuses, mindful of the maximum set by the MPSA
- Detect potential problems in the system and advise the **Executing Authority** accordingly;
- Determine whether employees have applied the rating scale accurately and objectively during self-assessment
- Determine whether managers/supervisors have evaluated performance in a consistent way and have applied the rating scale accurately and objectively, with a common understanding of the standard required at each level of the rating scale as well as the unit measurement and standards.
- Ensure the system is managed objectively and non-biased.
- Compile report of moderation outcomes and make informed recommendations to the **Executing Authority**
- Communicate report of moderation outcomes to employees after receiving approval from the **Executing Authority**.
- Make recommendations regarding actions to be considered where managers and supervisors do not properly and fairly execute their responsibilities with regard to assessment and rating in terms of the EPMDS.

#### 15.3 Assessment Appeal Panel

- Act as a departmental recourse an employee in disagreement over a recommendation by the supervisor or Moderating Committee to amend an assessment rating, and after being informed of final rating (Confirmed Assessment Rating) before a formal grievance is lodged.
- Act as an arbiter in *ad hoc* disputes and disagreements based on the quarterly reviews/assessments and final appraisal.

#### 15.4 Supervisors

- All supervisors within a component will ensure that they explain the development of a PA to all employees under their supervision.
- The supervisor will clarify the objectives of the unit (component), the clients of the unit, the employee's job description, the employee's clients, the KRAs and GAFs, time frames, measures and the actual performance rating method. Supervisors will also assist employees to identify and incorporate training needs into their PAs. This will be captured in the Personal Development Plan.

#### 15.5 The Employee

- All employees(level 1-12) of the Department, from middle management to employees at the 'production level, are responsible for clarifying with their immediate supervisors the dates and process for developing and submitting their PAs.
- All employees are responsible for developing a draft PA, based on the required objectives, KRAs and GAFs and other aspects of their job that have been previously clarified by the immediate supervisor. The employee

is responsible for presenting the draft PA to the supervisor for joint agreement on the final PA.

- An employee is expected to keep and maintain a portfolio of evidence of his/her performance, which should be signed by both employee and supervisor.

#### **15.6 The Head: Human Resource Management**

To ensure that:

- the system is made available and revisions properly communicated;
- a plan is jointly developed with the HRD unit for the training of supervisors and employees in the implementation of the EPMDS;
- regulatory changes that are likely to affect the EPMDS, are communicated timeously;
- performance agreements and employment contracts of relevant staff are reconciled where necessary;
- dates for submission of Performance Agreements, Quarterly Reviews/ Annual Assessment are set;
- that the Moderating Committee is properly constituted;
- Keep records of moderation proceedings.
- on-going technical support is provided to employees.

#### **15.7 The Head: Human Resource Development**

To ensure:

- training needs are identified and incorporated into the Training Plan and Work place skills plan.
- Induction and re-orientation is conducted for all current and new employees on EPMDS.
- Assess the impact of the training on performance.

#### **15.8 The HOD:**

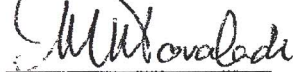
to enforce/oversee the fair implementation of the Policy

#### **15.9 The Executing Authority**

The EA identifies the key government priority areas and the priorities the department should deliver on. The EA then assigns the responsibility for the achievement of departmental goals to the HOD through the latter's performance agreement. The EA authorises the use of the EPMDS as the departmental policy and system.



**APPROVAL OF THE PROVINCIAL EMPLOYEE PERFORMANCE  
MANAGEMENT AND DEVELOPMENT POLICY BY THE ACTING DIRECTOR-  
GENERAL: MR. T MORALADI**



SIGNATURE

28/06/2010  
DATE OF APPROVAL