



# LIMPOPO

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**PROVINCIAL GOVERNMENT**  
REPUBLIC OF SOUTH AFRICA

**PERFORMANCE  
MANAGEMENT  
AND  
DEVELOPMENT  
SYSTEM POLICY**

**2010**

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## ACRONYMS AND ABBREVIATIONS

The following acronyms and abbreviations are used in this Policy:

PMDS	Performance Management and Development System
LPA	Limpopo Provincial Administration
SMS	Senior Management Service
PSCBC	Public Service Coordinating Bargaining Council
PIs	Performance Instruments
PRDs	Progress Review Discussions
APP	Annual Performance Plan
MMS	Middle Management Service
EWP	Employee Wellness Programme
DPSA	Department of Public Service and Administration

# **1. INTRODUCTION**

## **1.1. Purpose**

The purpose of this policy is to customize the principles and framework of performance management in the Limpopo Provincial Administration (LPA) in order to improve departmental and individual performance and service delivery. This is done in compliance with Chapter 1, Part VIII of the Public Service Regulations, 2001, that requires each Executive Authority to determine a system for performance management and development for employees in her or his department other than employees who are members of Senior Management Service (SMS).

## **1.2. Background**

The Limpopo Provincial Administration has in accordance with the above directive, developed a Performance Management and Development System (PMDS) whose main objective is to enable the Provincial Administration to address and measure performance at departmental level ,(from both a strategic and operational perspective) as well as at directorate and individual level.

## **1.3. Objectives**

The objectives of the developed PMDS for the Province are as follows:

- 1.3.1. To align employees performance to the departmental strategic and operational goals
- 1.3.2. To provide a systematic framework for performance planning, performance monitoring and review and performance assessment
- 1.3.3. To promote a shared sense of responsibility amongst employees for the achievement of strategic goals and objectives
- 1.3.4. To promote a culture of responsibility and participation through open dialogue about goals and the achievement thereof, personal development, and performance improvement
- 1.3.5. To encourage managers to effectively create conditions for employees to perform optimally
- 1.3.6. To provide a framework of assessment for identifying good and poor performance and to act appropriately through development and the recognition and rewarding of good performance
- 1.3.7. To be more focused on employee training and development
- 1.3.8. To develop Performance Improvement plan for managing under performers\unacceptable performance

## **2. STATUTORY FRAMEWORK**

The statutory framework, designed to transform the public service, is focused on service delivery and is informed by the following mandates:-

### **2.1. Acts of Parliament**

- 2.1.1. The Constitution of the Republic of South Africa, 108 (Act No. 108 of 1996)
- 2.1.2. The Public Service Act, 1994 (Act No. 103 of 1994) (as amended)
- 2.1.3. The Labour Relations Act, 1995 (Act No. 66 of 1995)
- 2.1.4. The Skills Development Act, 1998 (Act No. 97 of 1998)
- 2.1.5. Basic Conditions of Employment Act, 1997 (Act No.75 of 1997)
- 2.1.6. Employment Equity Act, 1998 (Act No.1of 1998)
- 2.1.7. Public Finance Management Act, 1999 (Act No.66 of 1999) (as amended)
- 2.1.8. Promotion of Administrative Justice Act, 2000 (Act No.66 of 2000)
- 2.1.9. Promotion of Access to Information Act, 2000 (Act No.2 of 2000)
- 2.1.10. Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No.4 of 2000)

### **2.2. Regulations**

- 2.2.1. Public Service Regulations, 2001 (as amended)
- 2.2.2. Treasury Regulations, 2001

### **2.3. Collective Agreements**

- 2.3.1. PSCBC Resolution 02 of 2004 (Incentive Policy Framework linked to departmental Performance Management System- pay progression and performance cash awards salary level 1-12)
- 2.3.2. Any other relevant collective agreements
- 2.3.3. Relevant DPSA directives and the provincial policies



### **3. APPLICATION**

This policy is applicable to all employees employed in terms of the Public Service Act.

### **4. PRINCIPLES**

The following principles shall underpin the Performance Management and Development System:

- 4.1. Uniformly implemented across all the provincial departments
- 4.2. Based on the Balanced Scorecard approach.
- 4.3. The integration of Provincial policies and departmental plans forms the basis upon which the PMDS is designed, implemented and managed.
- 4.4. Individual Performance Instruments (PIs) shall be aligned with organizational objectives as identified in each Department's strategic plan;
- 4.5. Participative in that both the supervisor and the supervisee will be fully involved.

### **5. POLICY PROVISIONS AND RESPONSIBILITIES**

The following are roles and responsibilities that all employees must comply with. Employees who do not comply with the prescribed time frames without showing good cause or reason should not qualify for any performance incentive including pay progression for that performance cycle.

#### **5.1. Roles and Responsibilities**

##### **5.1.1. Supervisees (Employees)**

- 5.1.1.1. Compile and sign PIs; Progress Review Discussions (PRDs), and Annual Evaluations on time to allow due process to be followed by the supervisor and overseer
- 5.1.1.2. Provide verifiable evidence with regard to her / his performance both quarterly and annually

##### **5.1.2. Supervisors**

- 5.1.2.1. Ensure that PIs are in place on the 1<sup>st</sup> of April of each financial year. All the signed PIs should be filed with the respective PMDS units by 30 April of each year.

- 5.1.2.2. Newly appointed employees should sign their PIs within one (1) month of assumption of duty.
- 5.1.2.3. PRDs are procedurally done and concluded within the first month subsequent to the end of each quarter. All the signed PRDs should be filed with the respective PMDS units by the cut-off date.
- 5.1.2.4. Annual Evaluations of every employee under them are procedurally completed by 31<sup>st</sup> of May of each financial year. All the signed annual evaluation reports should be filed with the respective PMDS units by the cut-off date.
- 5.1.2.5. Discuss and sign the PIs, PRDs, and Annual Evaluations submitted to her/his attention on time to allow the overseer enough time to exercise her/his oversight role

### **5.1.3. Overseer (Manager one level up including HoDs)**

- 5.1.3.1. The overseer exercises proper oversight in ensuring that all Managers under her / his unit / directorate/ sub-branch / branch/ whole department as the case may be, properly apply the spirit of the PMDS of the province, in particular with respect to:-
  - 5.1.3.1.1. Signing-off of correct PIs meeting department's strategic direction
  - 5.1.3.1.2. Disallowing a complete break-down of the PMDS in units under his or her control and seeking any help or ways to redress the situation if a break-down occur

### **5.1.4. Moderating Committees**

The Head of Department must constitute Moderating Committees in Branches.

The role of the Moderating Committees is to:-

- 5.1.4.1. Identify deviations or discrepancies in the PMDS documents, namely, PIs, PRDs and annual assessment reports.
- 5.1.4.2. Ensure the correlation between PIs, PRDs and annual assessment reports that informs consistency with regard to the ratings.
- 5.1.4.3. Ensure that ratings obtained are confirmed.

If the Moderating Committees identify deviations or discrepancies with regard to the above listed roles then such deviations should be referred back to the supervisors. This should be accompanied by a request for reconsideration of the rating.

## **5.2. Departmental Performance Management Committee**

- 5.2.1. The Head of Department must appoint a departmental Performance Management Committee (PM-Committee). The committee may consist of 5 to 10 members and should reflect the composition of the workforce of a department. The chairperson of the committee is a Senior General Manager /General Manager responsible for the PMDS.
- 5.2.2. The PM-committee should consistently monitor the implementation of the PMDS and ensure that all role players play their part timeously.
- 5.2.3. The PM-committee should advise the Accounting Officer on performance scores which are not consistent with the results of the targets of the Annual Performance plan (APP).

## **5.3. Coordination**

The Office of the Premier shall coordinate the implementation of the PMDS and provide direction and support.

# **6. PERFORMANCE ASSESSMENT**

## **6.1. Performance Assessment Cycle**

- 6.1.1. The period in respect of which performance is to be assessed in the Limpopo Provincial Administration, shall be in line with the financial year, i.e 01 April to 31 March. An annual date of assessment in all the departments shall be 01 April.
- 6.1.2. All Senior Managers, Managers and Supervisors shall be responsible for monitoring, supervising and assessing the performance of the employees under them.

## **6.2. Assessment of individual performance**

- 6.2.1. Workplan and standard framework covering the main areas of work from level 1 to 12 shall account for 80% of the final assessment, while the competencies shall make up the other 20% of the final assessment.
- 6.2.2. Performance that is satisfactory is rewarded by means of pay progression.
- 6.2.3. Only performance that is commendable and outstanding should qualify for performance awards.



- 6.2.4. The total weighting for the workplan and competences shall each be made up of 150%.
- 6.2.5. With regard to competency profiling, employees who are currently at competency level three (3) in terms of development should be considered for refresher courses in order to keep abreast of new developments.
- 6.2.6. Assessment on individual's performance shall be based on her/his PI.
- 6.2.7. The supervisor, supervisee and the overseer must sign the PI.
- 6.2.8. Assessment shall be done on a quarterly basis a month subsequent to the end of each quarter and shall be based on the information contained in the designated performance assessment instrument.
- 6.2.9. The first three assessments shall be utilized for feedback on performance and reviewing of the PI. These assessments shall be done between the supervisor and the supervisee. After the fourth assessment the average of all the assessments for that year shall be considered for the performance feedback and rewards. A copy of these assessments shall be filed.
- 6.2.10. The assessment of the individual shall be done between the immediate supervisor and the supervisee, and the supervisor on the next level shall act as the overseer to ensure consistency and fairness
- 6.2.11. No electronic submission of scores shall be accepted.  
Department should accept only hard copies
- 6.2.12. Assessment of employee's performance will be based on a continuous period of twelve months of the PM-cycle within the same salary notch.
- 6.2.13. An employee must complete a continuous period of at least 12 months on his/her salary notch on 31<sup>st</sup> March of each year for progression to the next higher salary notch on the relevant salary level. An employee must have performed at least satisfactorily as assessed in terms of the relevant PMDS for progression to the next higher salary notch.
- 6.2.14. In practice this may have the effect that an employee appointed in or promoted to a post with effect from 01<sup>st</sup> May of a specific year shall qualify 23 months later for possible pay progression.

### **6.3. Outcomes and communication of assessment results**

- 6.3.1. The employee's supervisor shall inform the employee in writing of the outcome of the assessment and if the performance of the employee is unsatisfactory of the reasons for that assessment. An employee should sign, but if the employee is not satisfied with the outcome of her /his results she/he may sign and lodge a grievance thereafter.

## **7. REWARDING OF INDIVIDUAL PERFORMANCE**

- (i) The Department shall budget for the granting of incentives annually as a percentage of personnel budget. The maximum budget for pay progression must be 2% of wage bill and that for performance incentives must not exceed 1.5 % of the remuneration bill.
- (ii) Incentives must be uniform in all the Provincial Departments and should also be categorized according to points of an individual performance.
- (iii) The criteria used to reward individual performance should be aligned to the collective agreements on pay progression as agreed at the PSCBC.

### **7.1. Categories of incentives**

The following categories of incentives may be used:

- 7.1.1. Awarding a higher salary notch within the salary range of the employee concerned or
- 7.1.2. A non-pensionable performance award/bonus for salary levels 1 to 10 within a maximum of 18% of the employee's annual salary.
- 7.1.3. A non-pensionable performance award/bonus for salary levels 11 to 12 within a maximum of 14% of MMS members' total package.

The following table shall therefore guide the annual performance assessments process:

### Salary levels 1 to 10

Points	Percentage	Rating	Meaning	Pay Progression	% Of Performance Awards/Bonus
736-750	150% and above	5+	Outstanding performance	Notch increase	13% to 18%
676-735	130% to 149%	5		Notch increase	9% to 12%
526-675	115% to 129%	4	Commendable performance	Notch increase	5% to 8%
376-525	100% to 114%	3	Satisfactory performance	Notch increase	No award
226-375	70% - 99%	2	Marginal performance	No notch increase	No award
150-225	69% and lower	1	Unsatisfactory performance	No notch increase	No award

### Salary levels 11 to 12

Points	Percentage	Rating	Meaning	Pay Progression	% Of Performance Awards/Bonus
736-750	150% and above	5+	Outstanding performance	Notch increase	10% to 14%
676-735	130% to 149%	5		Notch increase	7% to 9%
526-675	115% to 129%	4	Commendable performance	Notch increase	4% to 6%
376-525	100% to 114%	3	Satisfactory performance	Notch increase	No award
226-375	70% - 99%	2	Marginal performance	No notch increase	No award
150-225	69% and lower	1	Unsatisfactory performance	No notch increase	No award

- 7.1.4. Employees shall qualify for performance incentives based on four (4) quarterly assessments with the exception of employees who are on maternity leave, sick leave, disability leave or extended sick leave, long study leave, temporary leave longer than 30 days, unpaid leave and absence through suspension. In this case the granting of performance incentives shall be based on the average of at least two (2) quarterly assessments of the same PMDS cycle.
- 7.1.5. The period of any type of authorized leave shall not prejudice any employee's performance assessment.
- 7.1.6. Assessment of employees' transferring\relocating to other departments\units will be done by both the old and the new managers/supervisors.
- 7.1.7. Performance of an employee on secondment will be dealt with in terms of prevailing national and provincial resolutions.

## **8. MANAGING UNSATISFACTORY PERFORMANCE**

### **8.1. Employees who are still on probation**

Unsatisfactory performance of employees who are still on probation should be dealt with as follows: -

- 8.1.1. Training
- 8.1.2. Coaching
- 8.1.3. Redeployment to another section where the employee can perform better
- 8.1.4. Probation period may be extended by a maximum of six months
- 8.1.5. Where necessary, individuals may be referred to the Employee Wellness Programme (EWP) for assistance.

### **8.2. Employees who have already acquired permanent status**

- 8.2.1. It is the responsibility of managers/supervisors to timeously monitor unsatisfactory performance of their employees and implement corrective measures.



- 8.2.2. The following should be taken into consideration when implementing corrective measures: -
- 8.2.2.1. Set clear performance standards
  - 8.2.2.2. Provision of working facilities and resources
  - 8.2.2.3. Employee competence to meet performance standards
  - 8.2.2.4. Coaching
  - 8.2.2.5. Training
- 8.2.3. Where necessary, individuals may be referred to the Employee Wellness Programme (EWP) for assistance.
- 8.2.4. In the event that unsatisfactory performance continues despite implementing all the measures stated above the supervisor will evoke Disciplinary Procedures.
- 8.2.5. Supervisors should be able to determine during the monitoring and assessment process, whether under-performance is due to lack of experience, skills and knowledge or attitude. Suitable action should be recommended.

## **9. DATE OF IMPLEMENTATION**

The date of implementation shall be with effect from 2010/2011 financial year.