

Ref no. 2/7/2/1/1

Policy no. 1 of 2004 (as amended in 2005)

PERFORMANCE MANAGEMENT POLICY FOR LIMPOPO DEPARTMENT OF PUBLIC WORKS.

1. PURPOSE OF THE POLICY

The aim of the policy is to harness individual and group performance towards the realisation of the departmental strategic and operational goals and objectives.

2. LEGAL MANDATES

The policy framework is informed by *inter alia*, the following legal mandates:

- Legislation (Constitution, Public Service Act 1994 as amended, LRA, 1995 as amended, SAQA, Skills Development Act, 1998, Skills Levies Act, EE Act)
- White Paper on Transformation of Public Service, White Paper on HRD.
- Public Service Regulations, 1999 as amended
- Relevant Collective Agreement of Bargaining Councils in the Public Service.

3. KEY PRINCIPLES UNDERLYING THE POLICY

Performance is managed in a manner that:

- Improves departmental service delivery mandates.
- Is developmental and not punitive.
- Is supportive, consultative, transparent, honest, equitable, and consistent.
- Provides clear performance areas and measures
- Does not create unnecessary administrative burden on managers and supervisors.
- Provide feedback to individuals and teams.
- Is consistent with government policy directives and mandates

4. KEY OBJECTIVES OF THE POLICY

The main objective of the policy is to:

- Enhance performance at strategic and operational levels of the department by programmes, teams and individuals to achieve desired results.
- Identify individual's potential, strengths, and weaknesses and align them to departmental priorities and strategies.
- Identify and remedy poor work performance
- Provide a framework for recognising and rewarding good performance.
- Provides clear linkages between performance and recognition.
- Ensure that performance assessment is fair and promotes equity.
- Comply with the requirements of the Public Service Regulations.

5. PERFORMANCE MANAGEMENT PROCESS

5.1 Planning and Contracting

- Every individual within the Department must develop a relevant Performance Management Instrument in conjunction with the supervisor/manager concerned.
- The Departmental Strategic Plan, Departmental Operational Plan (Business plan), and Directorate's Operational Plan should inform Individuals/ teams Performance Instrument (PI).
- Each individual's activities must support the departmental plans outlined above.
- Each PI should reflect *inter alia*, Key Performance Areas (KPA's), Key Performance Indicators (KPI's), Time-lines, Enablers Resource requirements, Competences required, Developmental requirements and should be signed off by contracting parties.

5.2 Performance Reviews and Evaluation.

- Performance of individuals/teams is monitored three times a year (quarterly) through progress reviews starting from first of April every year.
- A final assessment is conducted during the last quarter of the year (during end of March the following year) through Performance Evaluation to determine overall performance for the year using the relevant rating system.
- Evaluations involve rating of stated objectives and deliverables in the PI and the Competency Profile.
- Employee undertakes self-evaluation before performance review/evaluation discussion with the supervisor/manager.

5.3 Review of employees who are transferred or employed from other departments

An employee, who is transferred or employed to the department towards the end of a review period, shall have his or her performance reviewed by the previous supervisor/manager. Should the employee be transferred or employed at the beginning of a review period, his or her performance shall be reviewed by the present manager/supervisor.

6. OUTCOME OF PERFORMANCE MANAGEMENT SYSTEM (PMS)

6.1 UNSATISFACTORY/POOR PERFORMANCE.

- Poor performance is managed through identifying areas of weakness and reasons for the shortfalls. Cause of action required to remedy the shortfalls is discussed and agreed upon. The action is resourced through training coaching, guidance, counselling, etc.

6.2 EXCELLENT/GOOD PERFORMANCE IS RE- ENFORCED VIA REWARDS/INCENTIVES

Measures to reward good/excellent performance.

- The Executing Authority **may**, on recommendation by the Head of Department and subject to the agreed criteria approved by the Head of Department and the availability of funds, reward good performance consistent with Policy Directives issued by the Department of Public Service and Administration (DPSA), Provincial Policy, Public Service Regulation and relevant Collective Agreements.

6.3 PERFORMANCE REWARDS MAY BE CONSIDERED:

6.3.1 Pay (Notch) Progression

- All employees shall be eligible for pay progression to the maximum notch of the salary level attached to their posts.
- An employee must have completed 12 months of continuous period on his/her notch on the 31st March of each year and must have **at least** obtained a rating of 3,4 or 5 in the final evaluation.
- Pay progression cycle will run over a continuous cycle of 12 months commencing on 1 April of a particular year and takes effect on 1 July of each year.
- Wage bill of the Department may not grow by 1% per year as a result of pay progression.
- Employees on personal salary notches shall not qualify for pay progression.
- Employees who benefit from pay progression during a financial year will receive benefits in addition to annual general salary adjustments/increments.
- Employees may receive pay progression and other performance related incentives.

6.3.2 Non-pensionable cash awards linked to Performance Management System.

- Non-pensionable cash awards may be granted to deserving employees as follows:
 - ❖ 18% for performance rating of 90-100% i.e. a score of 451 to 500;
 - ❖ 10% for a rating of 70-89 % i.e. 351 to 450 of employee's basic salary.
- The payment of cash awards shall be based on the salary notch of an employee at the time of the performance management cycle.
- Budget spent on cash awards shall not exceed 1.5% of the payroll in each Programme. Criteria to determine qualifying employees may be developed in cases where amount involved exceeds 1.5 % of the payroll. Should the budget prove to be insufficient for awarding deserving employees, the department will have to manage the situation by scaling down on the percentages.
- A brief motivation should accompany the nomination for cash award which should be considered and recommended by the PMS committee in each programme. The deserving employee should have performed duties that are beyond the scope of his or her Performance Instrument.

6.3.3 Non- Monetary rewards

- Rewards in the form of certificates, accolades, gifts, etc, may be considered.

6.3.4 A combination of the above may also be considered subject to the availability of funds.

7. ROLE PLAYERS IN THE PERFORMANCE MANAGEMENT PROCESS

7.1 Executing Authority

- Shall determine Performance Management Policy in the Department.
- Approve recommendations for reward or reprimand in terms of the system. (This function may be delegated to the HOD)

7.2 Head of Department

- Ensure that performance management system is fully functional in the department.
- Take appropriate steps to ensure responsible, accountable, transparent and equitable implementation of the system.
- Policy is being properly managed
- Approve or disapprove recommendations for reward or reprimand by senior management.

7.3 General Managers, Senior Managers, Project Managers and supervisors.

- Ensure that all staff in their components have Performance Instrument
- Quarterly reviews and annual appraisals are carried out in time.
- Feedback is provided during reviews and corrective measures are taken to improve areas of weaknesses in line with the principles outlined in the policy.

7.4 Individual Employees.

- Each an every employee has an obligation to ensure that he/she has Performance Instrument and that he/she is reviewed quarterly and assessed annually.
- Make efforts to perform in pursuit of the programmes' goals.
- Bring any shortcomings and developmental needs to the attention of responsible manager /supervisor.

7.5 Performance Management Committees

- Performance management Committees are appointed in all Districts and Head office.
- Union representatives in the department are part of the committees.
- Agree on criteria for rewarding good performance and making recommendations to the relevant authority.
- Oversee the general implementation of PMS

8. GRIEVANCE/DISPUTE RESOLUTION

Any grievance or dispute arising out of the implementation of the system should be dealt with by:

- Following grievance procedures in terms of the relevant Collective Agreement or dispute resolution mechanism of the Public Service Co-ordinating Bargaining Council (PSCBC).

This policy has been consulted on, adopted by the Management Review Committee and approved by the Head of Department.

signed
HOD FOR PUBLIC WORKS

20/02/2004
DATE