



Province of the
EASTERN CAPE

COOPERATIVE GOVERNANCE
& TRADITIONAL AFFAIRS

**PERFORMANCE MANAGEMENT
& DEVELOPMENT SYSTEM (PMDS)
POLICY**

2026

PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM (PMDS) POLICY 2026

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SIGN OFF

(i) Head of Department

This Policy of Performance Management and Development has been recommended by V. Mlokothe in my capacity as the Head of Department for Cooperative Governance and Traditional Affairs.

I am satisfied and concur with the contents of this Policy.


The development of the Performance Management and Development System will ensure that the Department is able to exercise its powers in compliance with the law and guide decision-making in the Department. This policy is also part of our strategic thrust to remodel the Department's internal machinery, its productivity and migration toward the digitalization of the system.

Signed:	
Designation:	Head of Department
Date:	09/03/2026

(ii) Executive Authority

The Department of Cooperative Governance and Traditional Affairs has unprecedented opportunity to improve the lives of the staff by effectively rendering services that is expected to provide. We envisage a Department that has the required capacity to respond adequately to the challenges of its staff.

I, therefore, trust that guidance from this Policy will contribute to the effective Performance Management in the Department.

Signed:	
Designation:	MEC: Z. A. Williams of Cooperative Governance and Traditional Affairs
Date:	12.03.2026

1. PREAMBLE

The Department of Cooperative Governance & Traditional Affairs commits itself in ensuring that all employees of the Department are continuously made aware of the contents contained in the Performance Management and Development System Policy.

2. PURPOSE OF THE PERFORMANCE MANAGEMENT DEVELOPMENT SYSTEM POLICY

- 2.1 To regulate the implementation of the principles and framework of Performance Management and Development System (PMDS) for the improvement and measurement of departmental and individual performance and service delivery.
- 2.2 To give guidelines to all employees in implementing performance management system (PMDS)

3. DEFINITION AND INTRODUCTION

Performance management is a process of harnessing all available resources (human and material) within an organisation to ensure that these resources are utilised effectively and efficiently to achieve the desired results. Performance management involves building processes, systems, culture and relationships that facilitate the achievement of departmental objectives; it is therefore aimed at both individual and departmental performance.

The departmental PMDS policy is governed by the National and Provincial Performance Management, Development Policies and Directives which aim at managing performance in a consultative, supportive and non-discriminatory manner, resulting in enhanced departmental efficiency and effectiveness, accountability for the use of resources and the achievement of results.

The primary orientation of performance management is developmental but must allow for effective response to under-performance and for recognizing outstanding performance.

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ITEM	DEFINITION
Assessment Cycle	the dates for individual Performance Management Assessment.
Generic Assessment Factor	is a standardize criterion or competency used to evaluate employee performance.
Key Results Areas/ Output	a concrete achievement that contributes to the achievement of a longer-term outcome or goal.
Operational plan	plan of action developed for a period of one year. An element used to describe and assess performance, taking into consideration knowledge, skills and attributes.
Pay Progression	Means progression to a higher salary notch within the same salary level/scale up to a maximum of the scale, limited to a single salary notch per pay progression cycle for non-OSD employees and SMS members, and the number of salary notches provided for in the respective OSD for OSD employees.
Performance Agreement	links individual performance plan to the organisational goals and an analysis of what will be required to achieve effective performance.
Performance Management cycle	describes the three phases through which the Performance Management (PM) moves – planning and contracting, performance review and annual performance assessment. It should coincide with the financial year – 1 April to 31 March.
Performance Management framework	describes the various components of the Performance Management system and includes mechanisms for linking departmental plans to provincial strategic goals, and individual performance plans to departmental plans.
Performance Plans	contain the essence of the Performance Management Agreements, i.e. the performance agreements, workplan agreements and standards framework agreements.
Performance Review	is a structured and formal process in which the staff member receives feedback on his/her performance, thereby providing an

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	opportunity for improvement before the annual review takes place. It also provides an opportunity for the written amendment of Performance Management Agreements.
Personal development plan (PDP)	outlines the areas in which improved levels of competence are required and a process for ensuring the improvement.
Rating scale	is a standard scale for rating employees' performance in relation to specific categories of performance. These are often used to introduce a degree of comparability into systems for performance assessment.
Standards Framework Agreement (SFA)	reflects the linking of an individual standards framework to the unit and organizational goals and an analysis of what will be required to achieve effective performance. It is used to assess the performance of professional staff and those involved in routine or process-oriented work.
Strategic Goals	are the outcomes or concrete positive results that the province/ department wishes to achieve.
Strategic objectives	are statements that concretely and specifically describe results to be achieved and serve as a basis for clarifying intentions, for planning, for guiding activity, and for assessing achievement.
Targets	are agreed upon quantitative or qualitative amounts that support performance indicators in describing the optimal level of performance required.
Vision	refers to the long-term impact desired by an organization. Workplan agreement.
workplan agreement	reflects the linking of an individual workplan to the organizational goals and an analysis of what will be required to achieve effective performance. It is usually used for staff that may have staff management responsibility with limited budgetary control, or project related tasks.

3.2 ACRONYMS

Term	Definition
DMC	Departmental Moderating Committee
DPSA	Department of Public Service and administration
GAF	Generic Assessment Factors
HoD	Head of Department
HPA	Key Performance Area
HRA	Human Resource Administration
HRU & D	Human Resource Utilization & Development
IRC	Intermediate Review Committee
LRA	Labour Relations Act, 1995
MMS	Middle Management Services
MPSA	Minister of Public Service and Administration
PA	Performance Agreement
PC	Performance Contract
PDP	Personal Development Plan
PFMA	Public Finance Management Act, 1999
PM	Performance Management
PMDS	Performance Management & Development System
PSA	Public Service Act, 1994
PSCBC	Public Service Coordinating Bargaining Council
PSR	Public Service Regulations, 2016
TR	Treasury Regulations, 2001
WSP	Workplace Skills Plan

4. APPLICATION AND SCOPE

The PMDS Policy is applicable to all employees of the Department of Cooperative Governance & Traditional Affairs. The SMS employees will further be regulated by the SMS Handbook.

5. LEGISLATIVE FRAMEWORK

5.1 Acts of Parliament

- 5.1.1 The Constitution of the Republic of South Africa, 1996.
- 5.1.2 Public Service Act, 1994.
- 5.1.3 Labour Relations Act, 1995.
- 5.1.4 Skills Development Act, 1998.
- 5.1.5 Employment Equity Act, 1998.
- 5.1.6 Basic Conditions of Employment Act, 1997.
- 5.1.7 Public Finance Management Act, 1999.
- 5.1.8 The Promotions of Administrative Justice Act, 2000.

5.2 White Papers

- 5.2.1 Human Resource Administration, 1997.
- 5.2.2 Transforming Public Service Delivery, 1997.
- 5.2.3 Public Service Training and Education, 1998.
- 5.2.4 Transformation of the Public Service, 1995.
- 5.2.5 Affirmative Action in the Public Service 1998.

5.3 Regulations

- 5.3.1 Public Service Regulations, 2016 as amended in 2023.
- 5.3.2 Treasury Regulations, 2001.

5.4 Collective Agreements

- 5.4.1 PSCBC Resolution 13 of 1998. (Performance Agreements).
- 5.4.2 PSCBC Resolution 3 of 1999. (Performance Related Financial Rewards and Incentives).
- 5.4.3 PSCBC Resolution 7 2000. (Rank or Leg promotions and pay progression system).
- 5.4.4 PSCBC Resolution 2 of 1999. (Disciplinary Code).
- 5.4.5 PSCBC Resolution 10 of 1999 and 1 of 2013 (Incapacity Code).

5.5 Determinations/ Directives and Circulars

- 5.5.1 Determination and Directive on the Performance Management and Development System of employees other than members of the Senior Management Service for Implementation with effect from 01 April 2018.
- 5.5.2 Notice of a reduction in the percentage allocation of remuneration budgets for the payment of performance bonuses for all categories of employees with effect from 01 April 2019.

6. AIMS OF PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

6.1 Goal

To optimize every employee’s output in terms of quality and quantity, thereby improving the department’s overall performance and service delivery.

6.2 Objectives

- 6.2.1 To align employee’s performance to the departmental strategic and operational goals.
- 6.2.2 To provide a systematic framework for performance planning, performance monitoring and review and performance appraisal.
- 6.2.3 To promote a shared sense of responsibility amongst staff for the achievement of strategic goals and objectives.
- 6.2.4 To promote a culture of transparency and participation through open dialogue about goals and the achievements thereof, personal development, and performance improvement.
- 6.2.5 To encourage managers to effectively create conditions for staff to perform optimally.
- 6.2.6 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.

7. PMDS POLICY PRINCIPLES

The key principles underpinning effective performance management, are outlined in the Public Service Regulations 2016, Chapter 4, Part 5.

- 7.1 The PMDS must be uniformly implemented across all employees within the department in consultative, supportive and non-discriminatory manner.
- 7.2 The PMDS must be implemented in a developmental manner and as such, must not be seen as a punitive tool.
- 7.3 The effective implementation of PMDS must be based on proper management of performance.
- 7.4 The PMDS must allow each employee to align his/her deliverables and/or activities with the departmental goals and strategies.
- 7.5 The PMDS must ensure that there is transparency, accountability, fairness, equity and realignment of departmental, team and individual plans to provincial goals.

8. CONSULTATION PROCESS WITH STAKEHOLDERS

All affected stakeholders including employees at all levels have been consulted throughout the review of this policy and their inputs and comments have been obtained and incorporated into this policy. This policy was also adopted by the SMS members on the 20 January 2026.

9. PERFORMANCE AGREEMENT OR AN AGREEMENT OF A SIMILAR NATURE

- 9.1 All employees shall conclude and sign their Performance Agreement (PA) or an agreement of similar nature on or before 31 May of each financial year.
- 9.2 Newly appointed employees shall conclude, sign and file their performance agreements or agreements of a similar nature within three months of the date of appointment and thereafter, within two calendar months of the beginning of each financial year. This agreement may be reviewed from time to time. If, during the cycle an employee is appointed, seconded or transferred or position at the same salary level, a new performance agreement or an agreement of a similar nature shall be entered into for the new post and performance assessment shall take both periods of work in the cycle into consideration.

- 9.3 Employees are discouraged from amending a performance agreement or agreement of a similar nature in the last quarter of a performance cycle (01 January to 31 March), unless changes to the employee job description, job grade, organizational structure of the department and its function or amendments to the objectives and priorities result in significant changes to the content of the job of the employee.
- 9.4 In the absence of the relevant supervisors (ill-health, suspension, retirement etc) for the signing of a performance agreement or agreement of a similar nature, the next supervisor is responsible for the signing of the employee's performance agreement or an agreement of a similar nature
- 9.5 In case where the amendment of performance agreement or agreement of a similar nature is justified, the amended performance agreement or agreement of a similar must be accompanied by a written motivation explaining the reasons for the changes. This motivation must be signed by supervisor and the head of the Directorate and submitted to Human Resource Utilization & Development to inform and clarify matters of performance during annual assessment and moderation.
- 9.6 The supervisor & supervisee jointly discuss and sign the performance agreement or agreement of a similar nature on or before the 31 May of each financial year and amendments to the can only be granted through approval by a letter from HOD
- 9.7 For any reason an official does not comply with the directive on PMDS-timelines (contracting, Reviews and Annual Assessments), consequence management should be introduced and non-allocation of Pay progression

10. CONTENTS OF THE PERFORMANCE AGREEMENT OR AGREEMENT OF A SIMILAR NATURE

- 10.1 A performance agreement or an agreement of a similar nature shall include at least the following:
- 10.1.1 A personnel number, job title, post grade as well as a clear description of the main objectives of the employee's job and the relevant outputs or key responsibility areas and competency requirements;
 - 10.1.2 A workplan containing the outputs, activities and resource requirements; and
 - 10.1.3 A personal development plan that identifies the employee's competency and developmental needs in terms of the inherent requirements of the job as well as methods to improve these.

- 10.1.4 Each KPA should be weighted as a percentage according to the level of importance and impact it has in the employee's job. The weighting of all the KPA's should aggregate to 100%. The weight of each KPA shall not be less than 10% or not exceed 30%.
- 10.1.5 Employee shall identify, discuss and agree on the GAFs that are most relevant to their area of work. The GAFs shall not be weighted. GAFs shall not be assessed independently but must be incorporated and assessed in an integrated manner with the KPAs. Any employee development identified in the GAFs shall be used to inform areas of development to be included in the PDP of employees

11. PROLONGED ABSENCE DURING THE PERFORMANCE CYCLE AND STAFF MOVEMENT

11.1 Absence during the cycle

- 11.1.1 If an employee is absent with permission for a continuous period of 3(three) months or longer, the affected employee shall be regarded as having performed fully effective for that period of absence within that applicable performance cycle.
- 11.1.2 Periods of prolonged absence with permission for purposes of the paragraph above include all types of approved leave.

11.2 Acting in higher positions

- 11.2.1 When an employee is appointed to act in a higher position for shorter than six weeks, the work plan should be based on the post that the employee is permanently appointed to.
- 11.2.2 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.
- 11.2.3 An employee who is appointed / seconded for three months or longer must amend relevant parts as contemplated in sub-regulation 3 of his or her

performance agreement or agreement of the similar nature to include the new roles and responsibilities.

- 11.2.4 If an employee who is not a member of the SMS is appointed to act in an SMS post for a period longer than three months, he/she must amend his or her performance agreement/ workplan to include the new roles and responsibilities. In this instance, the performance agreement/ workplan shall be developed and managed in terms of the Departmental Performance Management System for non-SMS employees.
- 11.2.5 An employee acting in the higher position, he/she shall be assessed at the level of his or her post that he/she occupied at the time immediately prior to the acting position, regardless of whether the employee was remunerated for so acting; the performance incentives shall be calculated at the lower level.

11.3 Staff movement

- 11.3.1 An employee who is appointed, seconded or transferred to another post or position at the same salary level must enter into a new performance agreement of agreement of a similar nature for the new post or position within three calendar months of his or her appointment/ secondment /transfer.
- 11.3.2 A seconding department must submit a copy of the signed PAs or agreement of similar nature of a seconded employee to the releasing department and HRA to provide a copy to HRU & Development Directorate a secondment agreement & PA within 30 days.
- 11.3.3 When an employee is transferred/seconded/ appointed to post or position at the same salary level, performance assessment shall take both periods of work in the cycle into consideration.

11.4 Amendments to the performance agreement

- 11.4.1 Employees are discouraged from amending a Performance Agreement of a similar nature in the last quarter of a performance cycle (i.e 01 January to 31 March), unless changes to the employee's job description, job grade, organizational structure of the department or its functions or amendment to the objectives and priorities result in significant changes to the content of the job of the employees.

- 11.4.2 In the case where the amendment of the agreement of a similar nature is justified, the amendment of a performance agreement or agreement of a similar nature must be accompanied by a written motivation explaining the reasons for the change. This motivation must be signed by the supervisor and the head of the Directorate and submitted to Human Resource Utilization & Development to inform and clarify matters of performance during annual assessments and moderation.
- 11.4.3 Department will utilize its own templates for performance agreement, mid-year reviews and annual assessments.

11.5 Competency Profiles

The department will utilise competency profiles as an assessment tool for all levels of employees.

11.5.1 Generic Assessment Factors (GAF)

The following (GAF) are applicable to all staff members from level 2 to 12.

- 11.5.1 Job knowledge
- 11.5.2 Technical skills
- 11.5.3 Acceptance of responsibility
- 11.5.4 Quality work
- 11.5.5 Reliability
- 11.5.6 Initiative
- 11.5.7 Communication
- 11.5.8 Interpersonal relations
- 11.5.9 Flexibility
- 11.5.10 Team work
- 11.5.11 Planning and execution
- 11.5.12 Leadership
- 11.5.13 Delegation of empowerment
- 11.5.14 Management of financial resources
- 11.5.15 Management of Human Resources

12. PERFORMANCE REVIEW AND ASSESSMENT

12.1 PERFORMANCE REVIEW

The purpose of performance review:

- 12.1.1 Reviewing individual or team performance is crucial to ensure that employees work towards the objectives and key performance areas agreed to during the contracting phase.
- 12.1.2 Performance review is conducted through a series of review discussions that form a continuous process of monitoring and assessing individual and/or team performance.

12.2 Self-Review

Self-reviews take place when a staff member assesses his/her own performance against the performance agreement or agreement of a similar nature.

12.3 Performance Review Discussion (P.R.D)

A PRD is conducted in order to review performance on a continuous basis to ensure that employees are able to attain their set activities. Specifically, it will allow for:

- 12.3.1 Assessment of progress towards the achievements of performance targets and set objectives.
- 12.3.2 Feedback regarding performance towards meeting stated objectives as well as required competencies.
- 12.3.3 Adjustment of outputs and/or activities due to circumstances, which require such changes.
- 12.3.4 Identification of problems or barriers, which are currently making it difficult for staff members on terms to perform effectively.
- 12.3.5 Identification of ways in which manager/supervisors and sub-ordinate can address these barriers or problems.
- 12.3.6 Identification of skills gaps, which are hampering performance

- 12.3.7 Signatories to the agreements must be willing to have an open discussion with each other.
- 12.3.8 In order for the discussion to be meaningful, both parties should also be prepared for performance reviews.

12.4 Performance Monitoring, Review and Assessment

- 12.4.1 The performance of employees must be monitored by supervisors on a continuous basis, with oral feedback on his or her employee’s performance if the performance is fully effective and in writing if the employee’s performance is not fully effective.
- 12.4.2 The conducting of mid-year performance review and annual assessment are compulsory and must be in writing and the annual assessment shall reflect the performance of the employee for the entire performance cycle (01 April to 31 March). The annual assessment must be conducted even if the employee was employed for less than twelve months in that cycle.
- 12.4.3 A four (4) point rating scale shall be used to assess the performance of employees who are employees other than employees of the SMS. A rating of 3 on a scale entails “fully effective” has fully complied with the requirements of the job. On the rating scale this translates into an overall score of 100%. Only whole numbers must be used in the scoring (no decimals are allowed e.g 3.5).
- 12.4.4 Table below provides an explanation of the four-point rating scale, categories of performance and the associated descriptions.

RATING	CATEGORY AND SCORE	DESCRIPTION
1	Not effective Less than or equal to 66%	Performance does not meet the expected standard for the job. The review or assessment reveals that the jobholder has achieved <u>less than partially effective job results in all or almost all</u> the performance criteria and indicators specified in the Performance Agreement and Workplan.

2	Partially effective 67%-99%	Performance meets some of the standards expected for the job. The review or assessment indicates that the job holder has achieved <u>less than fully effective results (Partially achieved) against more than half</u> of the performance criteria and indicators as specified in the Performance Agreement and Workplan.
3	Fully effective 100%-119%	Performance fully meets the standard expected in all areas of the job. The review or assessment indicates that the Job-holder has achieved a minimum <u>effective results against all</u> of the performance criteria and indicators as specified in the Performance Agreement and Workplan.
4	Highly effective 120%-133%	Performance far exceeds the standard expected from a jobholder at this level. The review/assessment indicates that the jobholder has achieved better than fully effective results against more than half/ or in all areas of the performance criteria and indicators as specified in the Performance Agreement and Workplan and maintained this in all areas of responsibility throughout the performance cycle.

12.4.5 The performance assessment calculator shall be used to calculate the overall performance scores of the mid-year reviews and the annual performance assessment. The electronic excel performance assessment calculator for non-SMS employees is available at DPSA website: www.dpsa.gov.za

13. PERFORMANCE MANAGEMENT COMPLIANCE DUE DATES AND ACTIVITIES

The table below provides the compliance due dates that are prescribed in terms of the Public Service Regulations, 2016, SMS Handbook and directives issued by the MPSA.

Annual Dates	Current Cycle Activities	Previous Cycle Activities to be completed	Responsibility
31 May	Signed PA is filed/submitted to HRU & Development	-	Employee supervisor and Head of HRU & D
30 June	Finalisation of capturing of signed performance agreements on PERSAL	Finalisation of capturing of employee performance information on PERSAL	Head of HRU & D and HR information system/ PERSAL Controller
31 July	-	Finalisation of annual performance assessments (SL1-12).	Employee, supervisor and EA or delegated official
31 December		Finalisation of annual performance assessments (SMS).	SMS members
31 October	Finalisation of semester-reviews (SL1-12)	-	Employee and supervisor
30 November	Finalisation of semester Reviews (SMS)		SMS Employee and supervisor

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30 November	-	Approval of moderated annual performance assessments	EA or delegated Authority
31 December	-	Implementation of outcomes of the annual performance (SL1-12)	HRA /Finance and Accounting Officer
31 January		Implementation of outcomes of the annual performance for SMS	HRA /Finance and Accounting Officer

14. ROLES AND RESPONSIBILITIES

14.1 Executing Authority

- 14.1.1 Shall approve and implement a system for the performance management of employees, other than employees who are members of the SMS in his or her Department.
- 14.1.2 Shall approve the departments performance management system in the financial year prior to the cycle in which the system is to be implemented and any deviation from the provisions of the system during the cycle may be approved by the EA only if such a deviation is not to the detriment of any employee.
- 14.1.3 Shall establish a performance incentive scheme to reward employees or any category of employees within limits.
- 14.1.4 May include internal departmental timelines in their PMDS policies to ensure compliance with dates.
- 14.1.5 May establish separate performance management system for different occupational categories or levels of work.

- 14.1.6 Shall inform the employee of the outcome of his or her performance assessment.
- 14.1.7 Based on the outcome of the performance assessment he/she:
 - 14.1.7.1 May reward performance in terms of regulation 73;
 - 14.1.7.2 May, where appropriate, provide training and development for employees;
 - 14.1.7.3 Shall manage poor performance.
 - 14.1.7.4 Use a single assessment instrument to assist in deciding on an employee's probation and performance.

14.2 Head of Department

The Head of Department shall:

- 14.2.1 Shall establish a written departmental performance incentive scheme-
 - 14.2.1.1 Determining the nature, rules and control measures of the scheme;
 - 14.2.1.2 Communicating the nature and rules of the performance incentive scheme to all employees;
 - 14.2.1.3 Ensuring that employees who implement the quality and quantity control measures of the scheme are not entrusted with the implementation of that scheme in relation to themselves; and
 - 14.2.1.4 Including provisions for the introduction of non-financial incentives, if deemed appropriate.
- 14.2.2 Appoint committee to moderate annual performance assessment and submit the recommendations to EA for approval.
- 14.2.3 Ensure that accurate records of all performance assessments and outcomes thereof are kept and management of poor performance and non-compliance.
- 14.2.4 Ensure that the outcomes of the annual performance assessments are implemented by 31 December of the financial year following the year of assessment for SL1-12 and 31 January for SMS.

14.3 Deputy Director-General

The Deputy Director-General shall:

- 14.3.1 Manages performance with respect to a branch.
- 14.3.2 Ensures that employees understand the strategic goals of the department.
- 14.3.3 Ensure that all employees in his/her branch have signed performance agreements within prescribed time.
- 14.3.4 Recognize good performance whilst correcting poor or non-performance.

14.4 Chief Director / Equivalent

The Chief Director shall:

- 14.4.1 Manages performance with respect to the Chief Directorate.
- 14.4.2 Ensures that employees understand the strategic goals of the department.
- 14.4.3 Ensure that all employees in his/her Chief Directorate have signed performance agreements within prescribed time.
- 14.4.4 Recognize good performance whilst correcting poor or non-performance.

14.5 Chief Financial Officer

The Chief Financial Officer shall:

- 14.5.1 Allocate budget equivalent to 1.5% of the Departmental Compensation of Employees budget for performance management to the respective responsibility managers.

14.6 Director: Human Resource Utilization and Development

The Director: Human Resource Utilization and Development shall:

- 14.6.1 Develop, implement, maintain and review the Performance Management Development System.

- 14.6.2 Facilitate the implementation of decisions on rewards and recognition of good performance.
- 14.6.3 Coordinate training on the PMDS.
- 14.6.4 Provide advice and guidance on implementation of the PMDS.
- 14.6.5 Report annually to the Head of Department on the implementation of PMDS.
- 14.6.6 Ensure compliance to the system, keeping a database of information, and managing/supervising the process of reviews and assessment.

14.7 Supervisor

The supervisor shall:

- 14.7.1 Ensure that the signed Performance Agreement or agreements of similar nature are submitted to the Human Resource Utilization & Development (Sub-Directorate: PMDS) on or before the 31 May.
- 14.7.2 Ensure that an employee performance agreement or agreement of a similar nature is aligned to the Department's objectives.
- 14.7.3 Conduct regular performance monitoring as well as to facilitate mid-year reviews and annual assessment reviews for the submission to Human Resource Utilization & Development.
- 14.7.4 Required to identify and then, in line with a developmental approach deal with poorly performing employees under their supervision. The supervisor must comply with the procedural requirements of PSCBC Resolution 10 of 1999 and Resolution 1 of 2013 (Incapacity Code).
- 14.7.5 Ensure that annual performance assessment is finalized by 31 July of the financial year following a year of assessment.
- 14.7.6 Develop and implement performance improvement plans for unsatisfactory performers.
- 14.7.7 Develop and implement jointly with employees, personal development plans.
- 14.7.8 Recommend forms of recognizing and rewarding employee's good performance.
- 14.7.9 Manage employee's grievances in terms of the grievance procedure and refer a dispute to the Head of Directorate.

14.8 Employees

The employees shall:

- 14.8.1 Equal participation with supervision in developing performance agreement or agreement of a similar nature.
- 14.8.2 The supervisor & supervisee jointly discuss and sign the performance agreement or agreement of a similar nature on or before the 31 May of each financial year.
- 14.8.3 Develop his/her performance agreement in line with job description and responsibilities.
- 14.8.4 Take responsibility for her/ his own personal development.
- 14.8.5 Align performance agreement with the Department's Strategic and Operational Plans.
- 14.8.6 Provide feedback to supervisors regarding obstacles that are preventing the achievement of agreed objectives/standards.

15. PERFORMANCE MODERATION

- 15.1 Structures are arranged for the purpose of performance moderation to ensure fairness and consistent application of the employee performance management system.
- 15.2 The performance moderation is conducted by a high level of management above the supervisor to ensure, as far as possible, that the performance of all employees is evaluated fairly and consistently across the Department.
- 15.3 Terms of reference for moderating committee must incorporate the following:
 - 15.3.1 There is compliance with the Public Service prescripts in terms of timelines on the signing of performance agreement or agreement of similar nature, performance reviews and assessments and the date for the implementation of the outcomes of annual performance assessment.
 - 15.3.2 The performance outcome of the Department, Branch, Chief Directorate or Directorate is considered when advising and or recommending on the implementation of the outcomes of annual performance assessments.
 - 15.3.3 The performance moderating processes maybe conducted in two steps if so desired. i.e the Intermediate Review Committee (optional) and the Departmental Moderation Committee (compulsory).

16. MODERATING COMMITTEE

16.1 Intermediate Review Committee (IRC)

- 16.1.1 It is established at a programme or Chief Directorate level for reviewing the performance assessment rating agreed upon by the employee and the supervisor. The need of the committee will depend on the size of the Department.
- 16.1.2 The IRC receives the performance assessment ratings of all employees in the Chief Director or Directorate level to review, compare and validate the ratings.
 - 16.1.2.1 If the IRC agrees with the ratings, the ratings are then submitted to the moderating committee.
 - 16.1.2.2 Any recommendation on the changing of the rating scores must be referred back to the employees' supervisor for the supervisor and the subordinate to try and reach consensus on the change.
 - 16.1.2.3 If the supervisor and the employee cannot agree, the unchanged/original rating is forwarded to the moderating committee with the comments from the IRC, the supervisor and the employee.

16.2 Committee Members

- 16.2.1 Chairperson: Chief Director (Head Office)
- 16.2.2 Members: Directors
- 16.2.3 Chairperson: Director (District)
- 16.2.4 Members: Deputy Directors

16.3 Departmental Moderating Committee (mandatory).

- 16.3.1 It is established for employees other than SMS members which is chaired by the Head of Department or his/her delegate.
- 16.3.2 The Committee furthermore may consist of Senior Managers at the discretion of the Head of Department or relevant delegated official.

16.3.3 The role of the DMC is to:

- 16.3.3.1 Ensure that the annual performance assessment is done in a realistic, consistent and fair manner, to monitor the performance assessment by obtaining an overall sense of whether the norms and standards are being applied consistently and realistically to employees on the same level and across the Department as a whole.
- 16.3.3.2 The DMC should not assess each individual case for purposes of ratings, but should develop an overall view of the results of the assessment process.
- 16.3.3.3 If the DMC identifies deviations or discrepancies, these should be dealt with in a just, fair and consistent manner.
- 16.3.3.4 The DMC must keep the minutes and records of the decisions, in particular if it recommends either increasing or decreasing scores.
- 16.3.3.5 Such decisions must be communicated to the supervisor and the employee.
- 16.3.3.6 The Moderating Committee shall confirm the rating, which is the final rating score for an employee.

16.4 District Moderating Committee

- 16.4.1 established for employees other than SMS members which is chaired by the Director: District Support Centre.
- 16.4.2 The Committee may consist of Deputy Directors from the District Support Centre or a nominated member at the supervisory level
- 16.4.3 The role of the District Moderating Committee is the same as the Departmental Moderating Committee as listed in paragraph 16.3.3.1 to 16.3.3.6 above as well as those in paragraph 16.5 below.

16.5 The other additional role of the DMC therefore include:

- 16.5.1 Provision of oversight of the application on the PMDS policy, ensuring that the performance management process, including the setting of performance standard is valid, fair and objective.
- 16.5.2 Detection of potential problems in the PMDS and advising the Head of Department accordingly.

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- 16.5.3 Reviewing overall assessment scores across Directorates, Chief Directorates or Programmes in the Department.
- 16.5.4 Recommend and rewards level in remedial action for different types of performance outcomes.
- 16.5.5 Making recommendations regarding actions to be considered where managers and supervisors do not properly execute their responsibilities with regards to contracting, provisioning of performance feedback, mid-year reviews, annual assessment and rating in terms of PMDS.

17. NON-NEGOTIABLE ISSUES OF THE DEPARTMENTAL PMDS

The success of the PMDS is dependent on the following non-negotiable outlined:

No.	Mandatory elements
1.	An employee shall enter into a performance agreement or an agreement of similar nature within three calendar months of his or her date of appointment and thereafter within two months of the beginning of each financial year.
2.	Annual Performance contracts shall be based on the Department Strategic and Annual Performance Plans (APPs) and Operational Plans in a cascading manner to align resources with performance targets for a particular financial year.
3.	One standard assessment instrument will be used which includes the electronic calculator on which to base decisions for probation, rewards, promotion and skills development.
4.	All employees must have a Personal Development Plan aligned to the skills needed by an employee to perform his/her duties to be included as part of the performance contract which must be cascaded into the departmental workplace skills plan for implementation every financial year.
5.	Criteria upon which the performance of employees must be assessed shall consist of two components- a weighting of 70:30 principle allocated for Key Performance Area (KPA's) and Generic Assessment Factors (GAF's) respectively.
6.	This agreement may be reviewed from time to time.

	If, during the performance cycle, an employee, is appointed, seconded or transferred to another post or position at the same salary level, a new performance agreement or agreement of similar nature shall be entered into for the new post or position and the performance assessment shall take both periods of work in the cycle into consideration.
7.	An employee who does not comply with the requirements in paragraphs 9.1, 9.2; 11,11.1,11.2,11.3,11.4 above shall not qualify for any performance rewards.).
8.	A performance agreement or an agreement of a similar nature shall include at least the following: 8.1 A personnel number, job title, post grade as well as a clear description of the main objectives of the employee’s job and the relevant outputs or key responsibility areas and competency requirements. 8.2 A workplan containing the outputs, activities and resource requirements; and 8.3 A personal development plan that identifies the employee’s competency and developmental needs in terms of the inherent requirements of the job as well as methods to improve these.
9	All employees are eligible for cost-of-living adjustments in line with the basic conditions of employment.
10	Department shall use a standard rating scale (1 to 4) when assessing performance; refer to paragraph 12.4.4
11	All employees eligible to be considered for performance related pay increase on an annual basis provided that their performance is evaluated to be fully effective as per paragraph 10.4
12	Performance rewards may only be awarded to employees who have completed an assessment period of twelve (12) months for current employees and twenty-four (24) months for first participants with effect from 01 st April -31 st March.
13	It must be noted that the payment of any performance bonus only becomes applicable in terms of the provision of the Incentive Policy Framework, and not according to PMDS, meaning that where such provision does not allow for the allocation of any budget allocation.
14	No employee shall qualify for performance rewards as contemplated in regulation 73 (1), including pay progression, if he or she has not signed a

	performance agreement or an agreement of similar nature within the period contemplated in sub regulation (1)
15	The supervisor and employee shall ensure that annual performance assessments are finalized by 31 July (SL1-12) of the financial year following the year of the assessment and 31 December for SMS according to SMS Handbook.
16	The Head of Department shall ensure that the outcomes of the annual performance assessments are implemented by 31 December (SL 1-2) of the financial year following the year of the assessment and 31 January for (SMS).
17	The Executive Authority must determine an appropriate reward scale in the establishment of Performance incentive scheme to reward employee or any category of employees as contemplated in regulation 73(1).

18. MANAGING THE OUTCOMES

Performance outcomes

18.1 The performance evaluation process will identify whether individual performance was fully effective, or above or partially effective. An employee’s supervisor shall inform the employee in writing of the outcome of the assessment and if the employee’s performance is not fully effective with reasons for that not fully effective assessment. An employee who is not satisfied with the outcome of her or his assessment may refuse to sign it. The employee’s supervisor must clearly identify the appeals route for an employee who is not satisfied with the outcome of her or his assessment. At any appeal against the outcome of her or his assessment, the employee may be assisted by a fellow employee or a representative of her or his trade union.

18.2 Financial recognition may include the following: -

18.2.1 Pay progression

18.2.2 Special achievement awards

18.3 Non-financial recognition (suggested)

18.3.1 Low cost – one or combination of the following incentives:

18.3.1.1 Organized lunch with the MEC

18.3.1.2 Time off over and above leave

- 18.3.1.3 Given priority to attend National Conference, overseas study tours
- 18.3.1.4 Given priority to attend training, conferences or seminars of interest to the employee and are not necessarily linked to the current job performed by the employee.
- 18.3.1.5 Fully paid for, two days' vacation to destination of employee's choice in the Eastern Cape with his or her immediate family (spouse and children or single parent and children).

18.4 No-cost – one or combination of the following incentives:

- 18.4.1 Honorary award certificate
- 18.4.2 Employee of the year certificate
- 18.4.3 Recognition in Departmental publications
- 18.4.4 Public note/memo
- 18.4.5 Written personal letter
- 18.4.6 Employee / team of the month recognition
- 18.4.7 Delegation of more challenging responsibilities
- 18.4.8 Represent department in official functions / forums

18.5 Poor Performance.

The appropriate, supportive and developmental measures apply for this category of performers whereby both parties should acknowledge and agree thereto.

19. RECOGNITION OF GOOD PERFORMANCE

- 19.1 All employees are eligible for cost-of-living adjustments as per the basic conditions of employment.
- 19.2 Department shall use a standard rating scale (1 to 4) when assessing performance; refer to 12.4.4
- 19.3 All employees eligible to be considered for performance related pay increase (package, progression) on an annual basis provided that their performance is evaluated to be fully effective as per paragraph 12.4.4

- 19.4 Performance rewards may not be awarded to employees who have not completed an assessment period.

20. PAY PROGRESSION

- 20.1 Pay progression is not automatic but is based on actual service on a particular salary level for the respective periods as determined by Incentive Policy Framework based on the attaining of “at least a Fully Effective performance” rating for the mentioned period in terms of departmental specific performance management systems.
- 20.2 Means progression to a higher salary notch within the same salary level/scale up to a maximum of the scale, limited to a single salary notch per pay progression cycle for non-OSD employees and SMS members, and the number of salary notches provided for in the respective OSD for OSD employees.
- 20.3 Employees are eligible for pay progression on the following dates, based on the outcome of their performance in the previous performance cycle:
- 20.3.1 Non-OSD and OSD employees: 01 July of a year
 - 20.3.2 SMS members: 01 April of a year
- 20.4 The qualifying period for pay progression for First (1st) time participants runs from the 1st of April after the date of appointment to the Public Service to 31 March of the year following the next period - therefore at least twenty-four (24) months. This means that the qualifying period for a first time participant who is appointed after 1 April of year will commence with effect from the next 1 April and run for 24 months until 31 March two years later, with the awarding of the pay progression to the employees with effect from the subsequent 1 July for non-OSD and OSD employees, and 1 April for SMS members.
- 20.5 First (1st) time participant: means a new appointee to the Public Service in a production or supervisory/managerial OSD, non-OSD OR SMS post
- 20.5.1 Include employees who have previously resigned from the Public Service and who are re-appointed – even with effect from the next work day following the date of resignation; and
 - 20.5.2 Exclude OSD and non-OSD employees appointed in training or community service posts (e.g Candidate Technician and Engineer, Public Artisan

(Apprentice), Medical Officer (Intern Medical), Pupil Nurse, Medical Officer (Community Service).

- 20.6 The qualifying period for pay progression for employees other than 1st time participants runs from 01 April to 31 March of the next year (performance cycle).
- 20.7 The pay progression cycle for first time participants does not affect their prescribed probation periods.
- 20.8 Employees who have reached the top notch of their salary scales shall not be eligible for pay progression and will be only limited to the cost-of-living adjustment.
- 20.9 PERSAL shall not implement pay progression automatically.
- 20.10 Pay progression is awarded to qualifying employees in addition to possible annual cost-of-living adjustments.
- 20.11 The pay progression of OSD employees is regulated in terms of their respective OSDs.
- 20.12 Wage Bill- for purpose of pay progression, consists of the combined total of the employees' salary notches, the employer's contribution to the GEPF and service bonuses (for Total Cost-to-Employer) (TCE) packages this refers.

21. MECHANISM FOR THE RESOLUTION OF PERFORMANCE MATTERS

Mechanisms for dispute resolution must include any differences which might arise out of performance agreements, performance review and assessment. Any disagreement must first be resolved internally within the Directorate/ Chief Directorate/ Branch.

21.1 Mechanisms for dispute resolution pertaining to a performance agreement or agreement of a similar nature

21.1.1 If a dispute arises as contemplated in regulation 72(4) of the 2016 Public Service Regulation, the Executive or delegated official shall appoint a mediator, who shall be an employee, to consider the dispute within one (1) month after the expiry of the due date for signing of the performance agreement or agreement of a similar nature.

21.1.2 Persons appointed to resolve disputes should preferably be chosen on the basis of their functional expertise and people skills and not necessarily a legal qualification since performance disagreements should preferably be a consensus driven process resolved through dialogue.

21.1.3 The PMDS mediation process shall not exceed a period of one month.

21.1.4 If the mediation process fails, an employee may consider a formal grievance in terms of the Public Service Grievance Procedure.

22. SUPPORT FOR PARTIALLY EFFECTIVE PERFORMANCE/PERFORMERS

22.1 Supervisors are responsible for dealing with employees' performance that is not fully effective within the period of assessment. They should take into consideration the following:

22.1.1 The need to set clear performance standards

22.1.2 Provision of enabling working facilities and resources

22.1.3 Counselling / Coaching

22.1.4 Training/Re-training

22.2 The following are the four basic steps to manage under-performance:

22.2.1 Identify and agree on the problem. This involves the analysis of feedback and obtaining agreement from the individual on what the shortfall has been. Establish reason(s) for the shortfall. Managers should not try to attach blame. The aim should be for the manager and individual jointly to identify the facts that have contributed to the problem. It is on the basis of this factual analysis that decisions can be made as to what to do about it. These decisions can be made by the individual, the manager or the two of them working together. Causes external to the job and outside the control of either the manager or the staff member must also be identified. Factors within the control of the staff member and/or the manager can then be considered.

22.2.2 To determine the extent to which the reason for the problem is because the individual:

22.2.2.1 Did not receive adequate support and guidance from his/ her manager.

22.2.2.2 Did not fully understand what he/she was expected to do;

22.2.2.3 Could not do it (ability);

22.2.2.4 Did not know how to do it (skill);

22.2.2.5 Would not do it (attitude).

22.2.3 Decide and agree on the action required. Action may be taken by the individual, the manager or both parties. This could include: Taking steps to improve skills or change behavior -

22.2.3.1 Changing attitudes – this is up to the individual as long as he/she accepts that his/her attitude needs to be changed. The challenge for managers is that people will not change their attitudes simply because they are told to do so. They can only be helped to understand that certain changes to their behavior could be beneficial, not only to the organization but also to themselves.

22.2.3.2 That provides more support or guidance; clarifies expectations – job requirements, objectives and standards; jointly helps develop abilities and skills in the sense that individuals may be expected to take steps to develop themselves, but managers can provide help in the form of coaching, shadowing, mentoring, additional experience or training.

22.2.3.3 Performance measures and feedback arrangements should also be agreed upon as a basis for determining whether subsequent action has been successful.

22.2.3.4 Resource the action. This simply means that provision should be made for coaching;

22.2.3.5 Training, guidance, experience, or facilities required to enable agreed actions to happen.

22.3 Monitor and provide feedback. At this point steps are taken to monitor performance,

22.3.1 Ensure that feedback is provided or obtained and analyzed, and agreement reached on any further actions that may be necessary. Individuals should be encouraged to monitor their own performance and take further action as required. This can be described as a self-managed learning process.

22.4 Performance Improvement Plan.

Performance improvement plans are essential in cases where poor performance has been identified as an outcome. All staff members who are evaluated as poor performers must develop a performance improvement plan together with the manager.

STEP	ACTIONS
1. Identify the problem.	What is the objective or key performance area or competency on which the staff member has not performed
2. Identify the possible causes of the problem.	Why has the employee not performed? Is it due to lack of: Skills and knowledge? Poor working conditions? Insufficient guidance and support? Inter personal relations in the workplace? Personal problems?
3. Identify a proposed solution for each area of difficulty – identify developmental solutions.	Lack of skills and knowledge – conduct a needs assessment through the HRD practitioner to identify training needs. Poor working conditions: Is this due to late/long hours, Insufficient equipment or unreasonable expectations? Insufficient guidance and support: Does the staff member not know what is expected of him/her, despite having drawn up a work plan? Do roles need to be re-clarified and the objectives on the workplan revisited? Does the immediate manager require management training? Interpersonal relations: Is communication a problem? Are issues of diversity and cultural difference a problem? What is the core problem causing the conflict? Personal problems: Is the staff member experiencing stress at home? Is there any way in which the manager can assist?

22.5 Staff on probation.

Various legislative and regulatory prescripts impact on the performance of a person on probation. Staff on probation must be assessed with the Annual Evaluation Form. All other prescripts applicable to probations must be adhered to, especially in the case of unsatisfactory performance.

23. MONITORING AND EVALUATION

The Directorate: Human Resource Utilization & Development (PMDS sub-Directorate) will vigorously monitor the implementation of this policy and will submit quarterly reports to the Chief Director: Human Resource Management & Development for submission to the Head of Department for submission to the Office of the Premier.

24. COMMUNICATION/ EDUCATION OF THE POLICY

The PMDS Policy will be communicated throughout the department to all its employees using workshops, intranet.

25. DISPUTE RESOLUTION MECHANISMS

In the event of disputes arising out of this policy, such disputes shall be dealt with in terms of the grievance procedure and Labour Legislation applicable in the Public Service

26. APPROVAL OF THE POLICY

The policy will be recommended by the Head of Department (HOD) and approved by the Member of Executive Council (MEC) as per the updated departmental Delegations and the policy will become official on the date it is signed by the Executing Authority (MEC for Cooperative Governance and Traditional Affairs).

27. REVIEW OF THE POLICY

The Policy will be reviewed once every five years or when there are material changes in the legislative framework from the date of approval or, as and when it is necessary to ensure the continued relevance and effectiveness.

28. VERSION CONTROL AND CHANGE HISTORY

Version Control	Date Effective	Approved By	Amendment
Start from		Contact person – full name & title.	Include any superseded procedures and what the amendment is to the document.
2010	19/05/2010	MEC S.H Gqobana	
2020	13/11/2020	X.E Nqatha	8. Performance agreement or an agreement of a similar nature page 7-8. 9. Prolonged absence during performance cycle and staff movement page 9-11. 10. Performance monitoring, review and assessment page 11-12. 11. Performance management compliance with due dates and activities page 12-13. 29. Roles and Responsibilities 13-15. 30. Performance Moderation page 16. 31. Moderation Committee page 16-18. 32. Non-negotiable issues of the Departmental PMDS page 18-19. 33. Managing the outcomes page 20.

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			<p>34. Recognition of good performance page 21.</p> <p>35. Pay progression page 21-22.</p> <p>36. Mechanism for resolution of performance matters page 22-23.</p>
2026		Z. A Williams	<p>9. Performance Agreement or an agreement of a similar nature</p> <p>11. Prolonged absence during the cycle</p> <p>11.3 Staff Movement</p> <p>11.4 Amendment of Performance Agreement</p> <p>12.5 Performance Monitoring and Review</p> <p>13 Performance Management Compliance Dates and Activities</p> <p>14 Roles and Responsibilities</p> <p>17. Non-Negotiables of Departmental PMDS</p> <p>20. Pay Progression</p>