



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM POLICY

POLICY CUSTODIAN	Directorate: Human Resources Management and Development
POLICY VERSION	3rd
APPROVAL DATE	
IMPLEMENTATION DATE	
POLICY REVIEW DATE	
AUTHOR	Human Resources Management and Development

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1. BACKGROUND AND INTRODUCTION

1.1 Acronyms

ACRONYM	DEFINITION
CET	Community Education and Training
PMDS	Performance Management and Development System
OSD	Occupational-Specific Dispensation
CET ACT	Continuing Education and Training Act
TVET	Technical and Vocational Education and Training
WSP	Workplace Skills Plan
PDP	Personal Development Plan
CMC	Central Moderation Committee
BMC	Branch Moderation Committee
RMC	Regional Moderation Committee

1.2 Glossary of Terms

TERM	DEFINITION
DELEGATED AUTHORITY	An incumbent of a post to whom power has been delegated or who has been authorised to perform a duty in terms of a formal delegation. This includes an employee who lawfully acts in the capacity of the Delegated Authority.
DEPARTMENT	Department of Higher Education and Training
COLLEGE	Refers to the Public College including Technical and Vocational Education and Training (TVET) and the Community Education and Training (CET) colleges.
COMPONENT	A part that makes up the Department at various levels, i.e. Head Office Branches, Regional Offices and Colleges.
EMPLOYEE	A person appointed in terms of the Public Service Act, 1994 as amended, excluding an Independent Contractor, who works for another person or for the State and receives, or is entitled to receive remuneration.
EMPLOYER	Department of Higher Education and Training
EXECUTIVE AUTHORITY	The Minister responsible for the department of Higher Education and Training
LINE MANAGER	An immediate Superior to whom an employee reports.
RESPONSIBLE HR UNIT	An HR Unit that may be based at either the Head Office, Regional Office or a Public College depending on the authority given in terms of the DHET delegations from time to time.
SUB-COMPONENT	A part of a Component, e.g. a Branch within Head Office, or College HR Unit in a Regional Office or College.

1.3 Policy Statement

The Department of Higher Education and Training (DHET) regards its employees as its greatest assets and as key to its ability to deliver on its Mandate, Mission and Vision. This Policy is developed to manage the performance and development of the Department's workforce.

The Performance Management and Development (PMD) Policy provides a standardised framework for managing employee performance in the Department. With the Strategic Plan and Annual Performance Plan as a basis, the Department identifies priorities and objectives to be achieved by Branches, Components, Units and Institutions. Performance Agreements enable the Department to assign specific performance objectives and targets to its employees. This also enables employees to participate meaningfully in the management of their own performance.

1.4 Legislative Framework

The Performance Management and Development Policy complies with the following legal and regulatory framework:

- 1.4.1 The Constitution of the Republic of South Africa, 1996
- 1.4.2 Public Finance Management Act, 1999, as amended by Act No. 29 of - 1999);
- 1.4.3 Treasury Regulations, 2001, as amended;
- 1.4.4 Public Service Act, 1994, as amended;
- 1.4.5 Public Service Regulations (PSR), 2016, as amended;
- 1.4.6 DPSA Circular 5, of 2017: Determination on PMDS for employees other than employees who are SMS members;
- 1.4.7 DPSA Circular 1/2/1/P dated 28 March 2002;
- 1.4.8 DPSA Circular 1/71/4/1 "Incentive Policy Framework for Levels 1 to 12";
- 1.4.9 The Skills Development Act 97, 1998, as amended; and
- 1.4.10 The Labour Relations Act, Act 66 of 1995, as amended.

2. POLICY PURPOSE, OBJECTIVES AND PRINCIPLES

2.1 PURPOSE

The purpose of the Performance Management and Development Policy is the following:

- 2.1.1 To provide a framework by which the performance of employees is monitored, measured and rewarded in order to enhance, efficiency, effectiveness and improve service delivery.
- 2.1.2 To optimise and improve every employee's capacity and performance in terms of quality and quantity, thereby increasing the Department's overall performance.

2.2 OBJECTIVES

The objectives of this Policy are the following:

- 2.2.1 To establish a performance and learning culture in the Department;
- 2.2.2 To serve as a management instrument for implementing goals and strategies;
- 2.2.3 To improve service delivery;
- 2.2.4 To ensure that all jobholders/employees know and understand what is expected of them;
- 2.2.5 To promote interaction on performance between jobholders/employees and their supervisors;
- 2.2.6 To identify, manage and promote employees' developmental needs;
- 2.2.7 To evaluate performance fairly and objectively;
- 2.2.8 To recognise categories of performance that is fully effective and highly effective; and
- 2.2.9 To manage performance that is not fully effective and lower.

2.3 PRINCIPLES

- 2.3.1 Managing performance in a consultative, supportive and non-discriminatory manner to enhance organisational efficiency, effectiveness and accountability for the use of resources and the achievement of results;
- 2.3.2 Performance management processes linked to broad and consistent staff development plans and aligned with the Department's strategic goals;
- 2.3.3 Performance management processes that are developmental, and allow for recognising fully effective performance and highly effective, and for an effective response to performance that is consistently not fully effective and lower;
- 2.3.4 Performance management procedures that minimise the administrative burden while maintaining transparency and administrative justice;
- 2.3.5 Fairness;
- 2.3.6 Transparency;
- 2.3.7 Equity;
- 2.3.8 Confidentiality;
- 2.3.9 Professionalism;
- 2.3.10 Service excellence; and
- 2.3.11 Value for money.

3. SCOPE OF APPLICATION

This Policy applies to all employees on Salary Levels 2 to 12 as indicated below.

- 3.1 Permanent employees;
- 3.2 Office-based Lecturers;
- 3.3 Employees on probation; and
- 3.4 Employees on contract for six (6) months and more.

4. POLICY PROVISIONS

4.1 Performance Management Process

4.1.1 The Performance Cycle

- (a) The performance cycle is 12 months during which performance is planned, implemented, reviewed and assessed. It is aligned to the period of the Department's annual operational plan and budget.
- (b) The 12-month cycle is also linked to the financial year for the purpose of planning, progression and other performance related incentives such as performance awards.
- (c) The probation cycle is linked to the appointment date of a jobholder.
- (d) The performance cycle starts from 1 April of the current year to 31 March of the following year.

4.2 Performance Planning

Performance planning shall cover the following:

- Performance agreement;
- Work plan;
- Key result areas (job description); and
- Personal Development Plan (PDP).

4.2.1 The Performance Agreement

- (a) The Performance Agreement is the cornerstone of performance management and shall be dealt with as follows:
 - (i) All employees must enter into and sign performance agreements before the end of the two (2) months of the new performance cycle;
 - (ii) Newly appointed employees shall enter into a performance agreement three (3) months from the date of employment;
 - (iii) Departmental and branches performance measures shall inform the development of the individual employee's Performance Agreement;
 - (iv) The contents must reflect the Department's strategic and annual operational plan, component's business plans and the

employee's job description, job role, actual activities and responsibilities. The content of a Performance Agreement must also include the following:

- **Employee data** such as the PERSAL number, job title and level, as well as a description of the employee's job role, with emphasis on the main objectives, job purpose, Key Result Areas (KRAs) and Generic Assessment Factors (GAFs).
 - **A work plan** that shall contain the key result areas, outputs, activities and resource requirements.
 - **A Personal Development Plan** which assists in identifying developmental areas and needs of the employee, as well as methods to improve these.
- (b) If an employee changes jobs during the performance cycle, a new Performance Agreement must be entered into for the new role and the performance assessment shall take both periods into consideration.
- (c) The Performance Agreement shall follow the following processes:
- (i) Performance planning and agreement shall take place between 1 April to 31 May;
 - (ii) Signing of a performance agreement shall take place on or before 31 May; and
 - (iii) A performance agreement shall be submitted to PMD Unit on or before 31 May by the head of the component or branch through branch co-ordinators.
- (d) No employee shall qualify for performance rewards including pay progression, if a performance agreement is not signed within the prescribed period mentioned in (c).
- (e) If both the employee and supervisor do not sign the performance agreement due to a dispute relating to the content of the agreement, a person (mediator) shall be appointed within one month after the period stipulated in (c) (ii) to consider the dispute.
- (f) The dispute shall be dealt with within a period of thirty (30) days and a recommendation on the performance agreement by the appointed person shall be signed by both parties within two (2) weeks of such a recommendation, failing which the agreement shall be deemed to have been signed from the date of recommendation.

4.2.2 The Performance Work Plan

- (a) The performance work plan contains the essence of the performance agreement (refer to Annexure A), and covers the following:
 - (i) Key Result Areas (KRAs);
 - (ii) Generic Assessment Factors (GAFs); and
 - (iii) Personal Development Plan (PDP).
- (b) A performance work plan is not cast in stone and can be amended in a situation where:
 - (i) new responsibilities are added to the chief directorate, directorate and sub-directorate;
 - (ii) the supervisor and employee agree to add or reduce duties and responsibilities; and
 - (iii) an employee is rotated to a new position in view of the outcomes of performance assessment.

4.2.3 Key Result Areas

- (a) KRAs shall describe what is expected of an employee in his/her role and focus attention on actions and activities that should assist Units and the Department to perform effectively.
- (b) KRAs shall not exceed six (6), and not less than four (4).
- (c) KRAs shall in the work plan be broken down into measurable outputs, activities and resources required.
- (d) Each KRA shall carry a weight of 10% minimum and 30% maximum.
- (e) Weighting of all KRAs must add to 100%.
- (f) Each KRA shall be weighted according to the importance it has in the employee's job.
- (g) No weight shall be allocated to key activities.
- (h) KRAs may cover many different aspects of the work such as the following:
 - (i) Specific tasks or events which the employee shall ensure are achieved;
 - (ii) Levels of performance which the employee shall maintain and promote;
 - (iii) Actions or situations for which the employee is personally responsible for making his/her "unique contribution"; and

- (iv) Duties and responsibilities related to advice and support given, for example, by specialists to clients.

4.2.4 Generic Assessment Factors

- (a) Employees shall identify, discuss and agree on either of the following GAFs that are most relevant to their area of work:
 - (i) Job knowledge;
 - (ii) Technical skills;
 - (iii) Acceptance of responsibility;
 - (iv) Quality of work;
 - (v) Reliability;
 - (vi) Initiative;
 - (vii) Communication;
 - (viii) Interpersonal relations;
 - (ix) Flexibility;
 - (x) Team work;
 - (xi) Planning and execution;
 - (xii) Leadership;
 - (xiii) Delegation and empowerment;
 - (xiv) Management of financial resources; and
 - (xv) Management of human resources.
- (b) A specialist or professional may for example have no employees under his/her supervision or may have no financial responsibilities.
- (c) **Quality of work, Job knowledge and management of human resources** are the three (3) compulsory GAFs that must be incorporated into performance agreements of supervisors.
- (d) **Quality of work and Job knowledge** are the two (2) compulsory GAFs that must be incorporated into performance agreements of all employees who are not supervisors.

4.2.5 Personal Development Plan (PDP)

- (a) The PDP shall include the developmental needs of an employee as captured on the performance agreement.
- (b) The PDP shall include interventions relating to the technical or occupational skills, these shall be amongst the following:
 - (i) Appropriate training intervention;
 - (ii) On-the-job training;
 - (iii) Extended job exposure; and
 - (iv) Job rotation.
- (c) The employee and supervisor shall take joint responsibility for the achievement of the PDP, with allocated responsibilities clearly recorded on the PDP agreement document.
- (d) The PDP shall relate to core duties and responsibilities of the job and with the skills required by the Department.

4.2.6 Management of Non-compliance with Performance Management and Development Policy

Non-compliance in addition to section 4.2.1 (d), (e) and (f) will be dealt with following the Disciplinary Code in the public service Section 16(A) of the Public Service Act, 1994, as amended.

5. PERFORMANCE ASSESSMENT, MONITORING AND REPORTING

5.1 Performance Assessment

Performance assessment process shall consist of mid-term performance assessment, annual performance assessment and assessment rating scale.

5.1.1 Mid-Term Performance Assessment

- (a) Mid-term performance assessment covers the period 1 April to 30 September and all mid-term assessments shall be submitted by 31 October.
- (b) Employees, who join the Department or were promoted/transferred during the Performance Management and Development cycle, shall be expected to align their mid-year review/assessment periods accordingly.
- (c) Transferred employees must finalise their mid-year review before assuming new responsibilities elsewhere.
- (d) If an official changes his/her job during a Performance Management and Development cycle, he/she must ensure that mid-term review of

the current job is completed prior to assumption of duty in the new position.

- (e) Mid-term assessments/reviews shall be linked to probation reports and shall be used for monitoring and evaluating performance progress of probationers in order to address their needs.
- (f) The mid-term review sessions shall be a one-on-one discussion between the supervisor and the employee.
- (g) The content and outcomes of the mid-term feedback session and the annual assessment shall be signed by both parties.

5.1.2 Annual Performance Assessment

- (a) The annual performance assessment shall be done at the end of the Performance Management cycle during April of a new cycle.
- (b) Employees who were seconded or transferred horizontally to a post within the same occupational class shall be assessed having combined the different periods served in each post during a specific Performance Management and Development cycle.
- (c) In relation to (b), inputs from the previous supervisor(s) and the current supervisor shall be considered for performance appraisal purposes.
- (d) Annual performance assessments for employees shall be finalised before any supervisor's performance appraisal can be considered to be valid.
- (e) The above (d) should be used to inform the performance of the supervisor and component he/she is accountable for.
- (f) Employees appointed in the middle of the cycle shall be subjected to all performance management processes irrespective of whether they have completed a full cycle or not.

5.1.3 Assessment Rating Scale

(a) The following four-point rating scale shall be used for both quarterly assessments and the annual assessments:

RATING	CATEGORY	DESCRIPTION	INCENTIVES
1	NOT EFFECTIVE (Less than or Equal to 66%)	Performance does not meet the standard expected for the job. The review/assessment indicates that the jobholder has achieved less than fully effective results against almost all of the performance criteria and indicators as specified in the Performance Agreement and Work Plan.	No performance rewards are payable
2	PARTIALLY EFFECTIVE (67%–99%)	Performance meets some of the standards expected for the job. The review/assessment indicates that the jobholder has achieved less than fully effective results against more than half of the performance criteria and indicators as specified in the Performance Agreement and Work Plan.	No performance rewards are payable
3	FULLY EFFECTIVE (100%–119%)	Performance fully meets the standard expected in all areas of the job. The review/assessment indicates that the jobholder has achieved as a minimum effective results against all of the performance criteria and indicators as specified in the Performance Agreement and Work Plan.	Pay Progression Range
4	HIGHLY EFFECTIVE (120%–133%)	Performance far exceeds the standard expected of a jobholder at this level. The review/assessment indicates that the jobholder has achieved better than fully effective results against all of the performance criteria and indicators as specified in the Performance Agreement and maintained this in all areas of responsibility throughout the performance cycle.	Performance rewards are payable

- (b) Scores of 4s must be accompanied by motivation or evidence while scores of 1s and 2s require remedial action to address poor performance.
- (c) The onus to provide motivation or evidence to justify the ratings rests with the employee and supervisor.

5.1.4 Performance Assessment Process

(a) The Assessment Discussion

Assessment discussions shall provide an opportunity for:

- (i) the employee to assess his/her own performance and its contribution to organisational goals and to identify areas of improvement;
- (ii) the supervisor to provide formal feedback on performance during the performance cycle and to identify ways of improving what was achieved and underachieved;
- (iii) employees to contribute and respond to comments regarding their performance and identify issues beyond their control that limit the achievement of results;
- (iv) open discussion between the employee and his/her supervisor in which achievements can be fully recognised and ideas for problem solving agreed;
- (v) reaching agreement on an overall assessment score reflecting judgement on the level of achievement attained in terms of the performance agreement; and
- (vi) the supervisor and the employee to agree on areas of personal development.

(b) Self-Assessment

The roles of the employee are the following:

- (i) Assess his/her own progress according to his/her performance agreement and work plan, during the period under review and allocate performance ratings accordingly;
- (ii) Bring to his/her manager's attention, significant other outputs which were delivered during this period which are not contained in the performance plan and/or performance which he/she regards as being meritorious;
- (iii) Provide inputs on areas identified as not being fully effective;
- (iv) Review his/her performance agreement for validity; and

- (v) Discuss and initiate the amendment of his/her performance agreement, if necessary.

(c) Supervisory Assessment

The roles of the employee's supervisor during assessment are the following:

- (i) Facilitate the assessment session;
- (ii) Assess the employee's performance according to his/her performance agreement and allocate performance ratings accordingly in preparation for discussion with employee;
- (iii) Allocate negotiated and agreed upon performance ratings after conclusion of discussion with the employee;
- (iv) Give recognition to the employee for highly effective performance rendered;
- (v) Recognise other significant outputs that were delivered during this period which are not contained in the performance plan and/or performance which he/she regards as being meritorious;
- (vi) Identify performance areas rated as being not fully effective;
- (vii) Allow the employee an opportunity to give his/her input during the session;
- (viii) Identify remedial steps which will be taken to eliminate factors which have hampered the employee's performance;
- (ix) Review or evaluate the employee's performance agreement for validity;
- (x) Discuss and initiate the amendment of the employee's performance agreement, if necessary; and
- (xi) Record his/her comment about the performance of the employee.

(d) Assessment of the KRAs

- (i) Each KRA must be assessed according to the extent to which the specified standards have been met.
- (ii) An indicative rating on the four-point scale must be provided for each KRA.

(iii) This rating must be multiplied by the weighting given to each KRA during the contracting process, to provide a score.

(iii) The rating calculator must be used to add the scores and calculate a final KRA score.

(e) Assessment of the GAFs

(i) GAFs shall not be weighted.

(ii) GAFs shall not be assessed independently, but must be incorporated and assessed in an integrated manner with KRAs.

(f) Disagreements over Rating and Assessment

In an event of a disagreement between the supervisor and the employee the following should happen:

(i) Both parties should attempt to find amicable ways to resolve the disagreement;

(ii) If the two parties fail to find common ground after attempting to resolve the disagreement, a Mediator shall be appointed by the Executive Authority or delegated official to consider the dispute and make a recommendation within thirty (30) days to the Head of Department.

(iii) If the disagreement remain unresolved, the formal grievance process which must last for thirty (30) days may be invoked; and

(iv) If the disagreement remains unresolved through a grievance process the aggrieved party may declare a dispute in line with the dispute resolution mechanism of the Public Service,

5.2 Performance Monitoring and Reporting

5.2.1 Performance Monitoring

(a) Performance at the employee's level must be continuously monitored to:

(i) determine progress and/or identify obstacles in achieving objectives and targets;

(ii) enable supervisors and jobholders/employees to deal with performance-related challenges;

- (iii) identify and provide the support needed;
 - (iv) modify objectives and targets; and
 - (v) ensure continuous learning and development.
- (b) Performance shall be monitored by means of mid-term performance assessments and provide feedback on achievements according to agreed individual Work Plans or Business Plans relevant to each component.
- (c) A supervisor shall monitor the employee's performance on a continuous basis, give him/her feedback orally on his/her performance on a continuous basis and twice during the performance cycle as follows:
 - (i) Orally if the employee's performance is satisfactory (fully effective and above).
 - (ii) In writing if the performance is clearly unsatisfactory (partially effective and not effective).
 - (iii) This must be done at least twice during the six months preceding the employee's annual formal performance assessment; and in writing, on the annual formal performance assessment date.
- (d) The supervisor shall use all opportunities to discuss the employee's performance, including staff and management meetings, report backs, and informal discussions.
- (e) If the supervisor, as a result of the performance assessment, or at any time during the performance cycle, be of the opinion that the employee's performance is marked below what is required; the supervisor must complete a full and formal assessment and assign ratings to KRAs. All these documents shall be signed by the employee.
- (f) This ensures that the employee is left with no doubt that what he/she has been producing as work outputs is not acceptable and that continuation in this poor standard of performance will affect service delivery.

5.2.2 Performance Reporting

- (a) Performance reports shall be compiled on a semester basis to report progress on individual employees in each branch and institution.
- (b) The mid-term performance report shall include all employees assessed, their progress and the area of intervention where not effective performance is reported.
- (c) Intervention areas shall be monitored within the next semester of the performance cycle.
- (d) These reports shall be presented to branch heads through moderation committees in order to monitor the maintenance or sustenance of highly effective, improvement of not effective performance and areas of interventions recommended.

6. EXCEPTIONAL CASES DURING THE PERFORMANCE CYCLE

6.1 Acting in Higher Positions

- 6.1.1 When an employee is appointed to act in a higher position for shorter than six (6) weeks, the work plan shall be based on the post that the employee is permanently appointed to.
- 6.1.2 Depending on the employee's performance during the acting period, recognition for performance of the duties of the higher position shall be given during the performance assessment, on the work plan of the permanent post.
- 6.1.3 When acting in a higher position longer than six (6) 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.
- 6.1.4 The performance of the employee, acting in the higher position, will be assessed in terms of the amended work plan, against the standards applicable to the level of the employee's permanent position.
- 6.1.5 Performance incentives where necessary and possible will be remunerated in terms of 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 performance cycle.

6.2 Staff Movement

- 6.2.1 Employees who transfer to the Department shall be subjected to performance review or assessment.
- 6.2.2 Where staff members change jobs within the Department during the Management and Development System cycle, performance assessments

related to the employee vacating the post have to be completed prior to moving to the new position and 5.1.2 (d) shall also apply.

6.2.3 If the employee changing jobs is a supervisor or manager, performance assessments for each employee under his/her control shall be completed prior to his/her movement and the assessments will form part of his/her handover report to the new supervisor.

6.2.4 Where an employee is promoted or transferred to another Department, progress review must be conducted for the current Performance Management and Development System cycle prior to the employee leaving and the assessment report must be forwarded to the receiving Department.

6.3 Prolonged Absence

6.3.1 If an employee is absent with permission or on precautionary suspension for a continuous period of three (3) months or longer, the affected employee shall be regarded as having performed satisfactorily for that period of absence within that applicable performance cycle.

6.3.2 Period of prolonged absence with permission for purposes of (6.3.1) above include all types of leave.

6.3.3 New performance agreement should be developed on return from prolonged absence

7. MEASURES APPLICABLE TO THE DIFFERENT APPOINTMENT CATEGORIES

NO.	AN EMPLOYEE WHO WAS	TO BE ASSESSED	INCENTIVES
7.1	Appointed on 1 April	Mid-Term and Annually	First-time Participant: No pay progression within the first 24 months of employment; Qualifies for performance bonus.
7.2	Upgraded/Promoted to a higher salary level after 1 April	Mid-Term and Annually	No incentive within the first 12 months of change.
7.3	Transferred horizontally within the Public Service	Mid-Term and Annually	Qualifies for performance bonus and pay progression where performance meets the expected standards.
7.4	On leave for up to six (6) consecutive months within a Performance cycle	Mid-Term and Annually	Qualifies for pay progression, but not a performance bonus.
7.5	On leave for more than six (6) consecutive months	Mid-Term and Annually	Qualifies for pay progression, but not a performance bonus.

7.5	On leave for four (4) consecutive months	Mid-Term and Annually	Qualifies for performance bonus and pay progression.
7.7	On a personal notch	Mid-Term and Annually	Does not qualify for pay progression, qualifies for performance bonus where performance meets the expected standards.
7.8	On retention	Mid-Term and Annually	No incentives if retained after 1 April.

8. OCCUPATION-SPECIFIC DISPENSATION (OSD) POSTS

- 8.1 Performance Management for OSD posts is based on this Policy, except where specific benefits/provisions are prescribed or determined.
- 8.2 The Central Moderating Committee shall determine who qualifies for multiple notches as per the provisions of the OSD.

9. DEVELOPMENTAL NEEDS

- 9.1 The development of an employee shall be prioritised by both the employee and supervisor during the performance cycle.
- 9.2 The developmental needs of employees recommended during the preceding assessment term shall be implemented in the next term, subject to the availability of programmes and budget.
- 9.3 On-the-job training shall be continuous and in line with the developmental needs of the employee, subject to the availability of programmes and budget.
- 9.4 The developmental needs reflected on the PDP shall be implemented within the performance cycle; subject to the availability of programmes and budget.
- 9.5 Supervisors shall report progress monthly on interventions implemented.
- 9.6 Any deviation from the implementation of intervention shall be reported to the Directorate: HRM and Development.
- 9.7 The PDP shall be included in the Workplace Skills Plan (WSP) and the Training Plan.

10. PERFORMANCE MODERATION

Performance shall be moderated, by the next level supervisor, mid-term branch/institutional branch/institutional moderation committees, annual branch/institutional moderation committees and the central moderation committee.

Performance shall be moderated to ensure the following:

- The performance of employees meets the standards and targets agreed during performance contracting;
- The performance of employees contributed towards attaining the strategic objectives of a branch, chief directorate and directorate;
- The performance of employees is evaluated fairly and consistently across the Department;
- The performance incentives are aligned with the DPISA's recommended percentages and compensation budget;
- Progression is paid in line with the 2% of the Department's Wage bill, and
- Quality assurance and recording of discussions during moderation.

10.1 Branch and Institutional Moderation Committees

10.1.1 Each branch shall have a moderating committee led by the Branch Head (Deputy Director-General) In case of the branch, the Principal in case of an institution.

10.1.2 The Branch Moderation Committee (BMC) shall be constituted as follows:

- (a) Chairperson - Branch Head or Delegated Official;
- (b) Chief Directors;
- (c) Regional Managers;
- (d) Directors; and
- (e) Human Resources Representative.

10.1.3 The Institutional Moderation committee shall be constituted as follows:

- (a) Chairperson - Principal;

- (b) Deputy Principals;
- (c) Campus Managers; and
- (d) Human Resources Representative.

10.2 Powers and Functions of the Moderation Committees

10.2.1 Moderating committees shall or may:

- (a) moderate the performance of employees against rated scores;
- (b) review, compare and validate employees' scores for branches and institutions;
- (c) make recommendations on the findings of the moderation process during the annual assessment period to the Central Moderating Committee;
- (d) receive performance presentations of all employees from Chief Directorates, Directorates, colleges and regional offices;
- (e) require direct supervisors to make presentations towards motivating for employees reporting to them; and
- (f) disagree with the annual assessment score, in which case the moderating committees may refer it back to the employee's supervisor to try and reach consensus on the Branch Moderation Committee or Institutional Moderation Committee's view.

10.2.2 Branch and Institutional Moderating Committees shall convene twice during the performance cycle, which shall be mid-term and annually.

10.3 Central Moderation Committee

10.3.1 The Department shall establish the Central Moderation Committee (CMC) and the Regional Moderation Committee (RMC).

10.3.2 The Regional Moderation Committee shall serve a Central Moderation Committee at regional level and shall moderate the performance of employees at regional offices (TVET and CET) and deputy principals.

10.3.3 The Regional Moderation Committee shall be constituted as follows:

- (a) Chairperson - Regional Manager;

- (b) Principals (CET and TVET);
- (c) Directors in the regional office; and
- (d) Regional office Human Resources Representative(s) as secretariat.

10.3.4 The Central Moderation Committee shall be composed as follows:

- (a) Director-General or delegated official;
- (b) Deputy Director-General or delegated official; and
- (c) Human Resources Representative as secretariat.

10.4 Powers and Functions of the Central Moderation Committee

10.4.1 The Central Moderation Committee shall:

- (a) moderate the performance assessments for employees on Salary Levels 2 to 12;
- (b) ensure that the annual performance assessments are done/moderated in a realistic, consistent and fair manner;
- (c) monitor the performance assessment process by obtaining an overall sense of whether norms and standards are being applied consistently and realistically to employees on the same level;
- (d) refer the rating back to the Branch or Institutional Moderation Committees for reconsideration through the line function if deviations or discrepancies are identified in ratings allocated;
- (e) give reasons for referring back the ratings, the reasons shall be made explicit and detailed minutes shall be kept;
- (f) provide oversight of the Performance Management and Development System;
- (g) advise the Department on financial and non-financial rewards, including the specific percentage for performance bonuses;
- (h) advise the manager responsible for Performance Management and Development Unit if potential challenges are detected in the system;
- (i) review overall assessment scores across Branches and Institutions;
- (j) recommend reward levels and remedial actions for performance and non-performance, respectively; and

- (k) make recommendations regarding actions to be considered where managers and supervisors do not properly and fairly execute their responsibilities with regard to the annual assessment process in terms of the Performance Management and Development System.

11. MANAGEMENT OF PROBATION AND PERFORMANCE OUTCOMES

11.1 Probation

The performance of employees on probation shall be managed in terms of the Performance Management and Development System process as follows:

- 11.1.1 The performance assessment of employees on probation must be conducted in writing on a mid-term basis and must link with the Performance Management and Development System;
- 11.1.2 The performance assessment form must be submitted to HR immediately following the assessment;
- 11.1.3 At the expiry of the probationary period the supervisor of the probationer must make a recommendation on whether or not appointment shall be confirmed; and
- 11.1.4 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 resort, dismissal, shall be considered.

11.2 Managing Performance that is Partially Effective and Not Fully Effective

- 11.2.1 Supervisors must first identify and then deal with not effective performance of employees under their supervision.
- 11.2.2 The supervisor must comply with all requirements of PSCBC Resolution 10 of 1999: "Incapacity Code".
- 11.2.3 Interventions by the supervisor to overcome performance shortfalls of the employee may include any or all of the following:
 - (a) Personal counselling;
 - (b) On-the-job mentoring and coaching;
 - (c) Formal training/re-training;
 - (d) Restating the work plan performance requirements; and
 - (e) Work environment audits to establish other factors affecting performance.

11.2.4 Should the employee not respond to reasonable and continuous attempts to improve performance, further steps shall be considered in terms of the Incapacity Code and the employee must be informed of this in writing.

11.3 Management of Fully Effective to Highly Effective Performance

11.3.1 Supervisors and employees must ensure that performance at this level is maintained and sustained.

11.3.2 Supervisors must acknowledge fully effective to highly effective performance through the incentives schemes available in the Department.

12. PERFORMANCE INCENTIVES

Employees who consistently perform between fully effective and highly effective performance shall be incentivised through pay progression, performance bonus and non-financial incentives.

12.1 Pay Progression

12.1.1 Employees on Salary Levels 2 to 12 are eligible for pay progression to the maximum notch of the salary level attached to their posts.

12.1.2 Progression to the next higher notch is not automatic, but it is subject to an employee completing a 12-month continuous period performing at least at the level of fully effective.

12.1.3 The 12-month period is calculated from the beginning of the PMDS cycle. Pay progression is with effect from 1 July of a year based on the outcome of the performance in the previous performance cycle.

12.1.4 Employees who are promoted/upgraded within the PMDS cycle do not qualify for pay progression.

12.1.5 Employees, who are awarded a higher notch within the salary level that correlates to the job weight attached to their job shall qualify for pay progression, provided they comply with the set criteria.

12.1.6 Employees who receive pay progression for a financial year will receive this in addition to the annual cost-of-living adjustment.

12.2 Performance Bonus

- 12.2.1 Performance bonus shall be determined by the Accounting Officer depending on the availability of funds and overall achievement of the Department. Such incentives shall be subject to the approval of the Minister or as delegated and National Treasury.
- 12.2.2 The Department may not exceed the percentage recommended by the MPSA on its annual remuneration budget for performance bonuses.
- 12.2.3 Should this amount prove to be insufficient to award the maximum percentage performance bonuses, the Central Moderation Committee may scale down the applicable percentages by allocating a lower percentage to qualifying employees.
- 12.2.4 First-time participants (employees) qualify for performance bonus upon completion of twelve (12) months - (1 April–31 March).
- 12.2.5 The following Performance bonuses may be granted to employees who qualify in terms of their annual performance assessment subject to the determination by the Executing Authority:

(a) **Salary Levels 2 to 10**

PERFORMANCE CATEGORY	MAXIMUM PERCENTAGE BONUS	BENEFITS
Category A: 131%–133%	18%	Performance Bonus and Pay Progression 1 Notch
Category B: 126%–130%	12%	Performance Bonus and Pay Progression 1 Notch
Category C: 120%–125%	8%	Performance Bonus 1 Notch
100%–119%	Not applicable	Pay Progression only 1 Notch

(b) Salary Levels 11 to 12

PERFORMANCE CATEGORY	MAXIMUM PERCENTAGE BONUS	BENEFITS
Category A: 131%–133%	14%	Performance Bonus and Pay Progression 1 Notch
Category B: 126%–130%	10%	Performance Bonus and Pay Progression 1 Notch
Category C: 120%–125%	6%	Performance Bonus and Pay Progression 1 Notch
100%–119%	Not applicable	Pay Progression only 1 Notch

12.2.6 Percentages may be adjusted lower depending on the number of qualifying employees per category and budget.

12.3 Non-financial Incentives

12.3.1 Financial rewards are not the only method to motivate staff to perform. Other non-financial ways for recognising performance should be explored.

12.3.2 The Branch and Institutional Moderation Committee may recommend non-financial rewards to eligible employees.

12.3.3 The CMC and RMC may approve non-financial rewards as recommended by the moderating committees.

12.3.4 The following are examples of recognition that could be considered:

- (a) Acknowledgement and recognition of performance excellence, i.e. in the office publications;
- (b) Awards and certificates;
- (c) Citations at conferences/meetings;
- (d) Attendance at conferences;
- (e) Specific access to specialised training and development opportunities; and
- (f) Study tours or overseas trips and other visits by an employee

13. KEY ROLE PLAYERS

13.1 The Director-General

The Director-General:

- 13.1.1 shall be responsible for the development and implementation of the Management and Development System of the Department;
- 13.1.2 shall preside over the Central Moderating Committee for Head Office;
- 13.1.3 may delegate to the Deputy Director-General: Corporate Services where it is impractical for him to preside;
- 13.1.4 shall sign off the Performance Management and Development Policy of the Department; and
- 13.1.5 shall approve the payments of pay progression and performance bonus as delegated by the Minister.

13.2 The Branch Head

The Branch Head or Deputy Director-General shall:

- 13.2.1 preside over Branch Moderating Committee;
- 13.2.2 ensure that performance agreements and assessments of all employees in his/her branch are done and submitted to Performance Management and Development Unit; and
- 13.2.3 submit the outcomes of the Branch Moderating Committee to the Central Moderating Committee.

13.3 The Principal

The principal shall:

- 13.3.1 preside over Institutional Moderating Committee;
- 13.3.2 ensure that performance agreements and assessments of all in his/her institution are done and submitted to Performance Management and Development Unit; and
- 13.3.3 submit the outcomes of the Institutional Moderating Committee to the Regional Moderating Committee.

13.4 The Regional Manager

The regional manager shall:

- 13.4.1 preside over Regional Moderating Committee;
- 13.4.2 ensure that performance agreements and assessments of all employees in his/her region are done and submitted to Performance Management and Development Unit; and
- 13.4.3 submit the outcomes of the Regional Moderating Committee to the Moderating Committee via the Sub-Directorate: Performance Management and Development.

13.5 Senior Managers

Senior managers shall:

- 13.5.1 ensure that performance agreements and assessments of employees in their Chief Directorates, directorates and institutions are completed and submitted to Performance and Management and Development Unit;
- 13.5.2 ensure that performance agreements are aligned to business plans of the units;
- 13.5.3 ensure that the developmental needs of employees as recommended during the performance assessment are implemented; and
- 13.5.4 provide progress reports to Performance Management and Development Unit on interventions made as recommended during the performance assessment.

13.6 Supervisors

Supervisors shall:

- 13.6.1 ensure that they explain the development of a Performance Agreement to all employees under their supervision;
- 13.6.2 develop a performance agreement and work plan jointly with each employee;
- 13.6.3 clarify the objectives of the Component, the clients of the Component, the employee's job description, the employee's clients, the KRAs and GAFs, time frames, measures and the actual performance rating method to employees;
- 13.6.4 assess employees based on the performance agreements;
- 13.6.5 provide evidence of not effective performance and fully effective performance;

- 13.6.6 recommend developmental needs or interventions on not effective performance and partially effective performance;
- 13.6.7 review the previous assessment quarter's objectives and develop targets for the new assessment quarter;
- 13.6.8 implement developmental needs as recommended during the assessment period;
- 13.6.9 provide progress reports to the Senior Manager on interventions made as recommended during the performance assessment; and
- 13.6.10 assist employees to identify and incorporate training needs into their Performance Agreements.

13.7 The Employee

The employee shall:

- 13.7.1 develop performance agreement and work plan and submit to the supervisor for concurrence;
- 13.7.2 together with the supervisor finalise the performance agreement;
- 13.7.3 assess him-/herself as directed by the policy;
- 13.7.4 together with the supervisor finalise and agree on assessment outcomes;
- 13.7.5 provide evidence on highly effective performance;
- 13.7.6 request developmental needs on the areas of need; and
- 13.7.7 follow dispute resolution mechanism of the Public Service in an event of a disagreement with the supervisor.

13.8 The Overseer

The overseer shall:

- 13.8.1 evaluate the ratings of the supervisor and the employee;
- 13.8.2 send back the assessment to the supervisor and employee if not in agreement with scores provided in order for them to further provide motivation; and
- 13.8.3 in an event of a disagreement, send the disagreement to the Branch Moderation Committee for adjudication.

13.9 The Process Driver

The directorate responsible for the Performance Management Function in the Department shall ensure the following:

- 13.9.1 The PMD system is in place, revised and properly communicated;
- 13.9.2 A plan is developed for the training of staff members in the implementation of the Performance Management and Development System;
- 13.9.3 Regulatory changes likely to affect the Performance Management and Development System are communicated timeously;
- 13.9.4 Dates for submission of Performance Agreements, reviews and assessments are set and communicated on time;
- 13.9.5 The moderating committees are constituted, supported and guided;
- 13.9.6 Monitoring the implementation and compliance with the Performance Management and Development Policy of the Department;
- 13.9.7 Mid-year verification of assessments at colleges are done;
- 13.9.8 Mid-year reports on performance of each employee are submitted to the Branch Heads and Principals;
- 13.9.9 Organised labour is consulted on the development and review of the PMD Policy; and
- 13.9.10 On-going technical support is provided to Management and staff in general

14. MONITORING AND EVALUATION

This Policy shall be monitored by the directorate responsible for performance management and development.

15. POLICY REVIEW

This Policy will be reviewed as and when a need arises

16. DISPUTE RESOLUTION

Any dispute arising out of the interpretation and/or application of this Policy shall be dealt following applicable legislations and policies.

17. POLICY APPROVAL SIGNATURE

Signed at Pretoria on this 12th day of November 2021



Dr Nkosinathi Sishi

Director-General: Department of Higher Education and Training