



MPUMALANGA REGIONAL
TRAINING
TRUST

Empowerment Through Training

PERFORMANCE MANAGEMENT AND DEVELOPMENT POLICY

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1. PURPOSE OF THE POLICY

- 1.1 The purpose of this Policy is to set out the responsibilities of Employees and Line Managers and to specify the process for the implementation of a PMDS.
- 1.2 As a result of evolving labour relations, practices and attitudes in the industry these procedures are intended to be guidelines and not rigid rules.

2. OBJECTIVES OF THE POLICY

- 2.1 The objectives of this Policy are to:-
- 2.2 Assist MRTT and the Employee to achieve its performance goals;
- 2.3 Create responsibility and accountability for Employee performance;
- 2.4 create a framework for effective and regular performance monitoring, review and feedback, and
- 2.5 reward an Employee's performance based upon an agreed set of criteria and conditions.

3. SCOPE OF THE POLICY

This Policy is applicable to all Employees including fixed term contracts who complete a 12-month cycle with the entity and who receives, or is entitled to receive, any remuneration. regardless of their position within MRTT.

4. PRINCIPLES UNDERPINNING THE POLICY

- 4.1 This Policy is driven by the following principles:
 - 4.1.1 Alignment of the Employee's performance with MRTT's overarching mission, vision and strategic priorities;



4.1.2 Employees must have a PA with MRTT which documents the performance and employment related development of an Employee;

4.1.3 The results of the performance review will have an impact on the Employee's salary review, bonus payments as well as any promotion opportunities of the Employee.

5. APPLICABLE LEGISLATIVE

5.1 This Policy shall be read in conjunction with the following legislation, where applicable:-

- Labour Relations Act No. 66 of 1995, as amended; and
- Basic Conditions of Employment Act No. 75 of 1997, as amended.
- Employment Equity Act No. 55 of 1998, as amended

6. DEFINITIONS

6.1 Unless the context of this Policy indicates otherwise, words denoting the masculine gender also include the feminine gender and any reference to the singular shall include the plural and vice versa. The following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings: -

6.1.1 **“Employee”** means any person, including fixed term contracts who complete a 12-month cycle with the entity and who receives, or is entitled to receive, any remuneration.

6.1.2 **“HR Sub-Programme”** means the Human Resources department;

6.1.3 **“Line Manager”** means the manager the Employee is directly reporting to, and “Supervisor” shall have a corresponding meaning

6.1.4 **“Management”** means the managers, senior managers, general managers and/or executives of MRTT;



6.1.5 **“MRTT”** means the Mpumalanga Regional Training Trust, a non-profit company, bearing registration number: 1993/006132/08; “the Company” and/or “the Employer” shall have corresponding meanings;

6.1.6 **“The Performance Management and Development System” (PMDS)** means the end to end process that covers all the elements of measuring performance and development of MRTT as well as of the Employees.

6.1.7 **“The Balanced Scorecard” (BSC)** means an MRTT document which sets out the

6.1.8 **“KPI’s”**, measures and targets of MRTT at an Executive level only. Each Executive must have a PA that is aligned to a specific BSC;

6.1.9 **“Performance Agreement” (PA)** means an agreement between MRTT, represented by the Line Manager and an Employee about the Employee's responsibilities and behaviour during an assessment period. The PA is a key management tool enabling MRTT to determine and monitor performance expectations, manage development and align the Employees with the values, institutional goals and strategies of MRTT. The PA will consist of the performance information as well as the development information of the Employee in the form of a PDP

6.1.10 **“Personal Development Plan” (PDP)** is developed by the Line Manager in conjunction with the Employee as part of a structured and supported process undertaken by the Employee to reflect upon his own learning, performance and/or achievement and to plan for their personal, educational and career development. The PDP should indicate areas of development in relation to the required job output and performance expectations for that position;

6.1.11 **“Key Performance Area” (KPA)** means the general area of responsibility and defines the output, which are measured through KPI(s). KPA's must be clearly defined in job profiles;



6.1.12 **“Key Performance Indicator”** (KPI) means the specific deliverables linked with the area of responsibility, KPA(s) and KRA(s). Extracting from the KPA’s every Employee should have KPI’s which informs Management of the delivery in each KPA. The KPI’s are specific outputs for the evaluation period but linked directly to KPA’s. The PA’s of each Employee will clearly show the KPA’s and KPI’s. The performance outputs will be measured using the KPI;

6.1.13 **“Key Result Area”** (KRA) means general outcomes or outputs, which must be achieved in order for MRTT to meet its goals, for which a programme and/or sub-programme and/or Employee is primarily responsible for;

6.1.14 **“Policy”** means this document including all annexures and, schedules.

6.2 LIST OF ABBREVIATIONS:-

BSC - The Balanced Scorecard

KPA - Key Performance Area

KPI - Key Performance Indicator

KRA – Key Performance Area

PMDS - The Performance Management System

PA - Performance Agreement

PDP - Personal Development Plan



7. MRTT PERFORMANCE AND DEVELOPMENT MANAGEMENT PROCESS

7.1 The performance management and development process entails setting of performance indicators for the period ahead, managing Employee performance, providing feedback and identifying and planning Employee's development needs.

7.2 The PMDS consist of the following:-

7.2.1 performance planning – refers to the process of identifying the goals and KPAs of an Employee and/or the Company and planning the best ways to achieve them. It focuses on underpinning the growth of employees and helping their career development. The outcomes of this stage are PA's that are ultimately aligned to the Employees and/or the Company's short and long term goals.

7.2.2 performance reviews, also known as performance evaluations, is the process that takes place to assess and review the performance of the Employee with the aim of assessing whether or not the agreed targets and KPA's have been achieved. The reviews are conducted quarterly. It should also be noted that the PDP is also relevant in this process as it assists to identify areas for improvement. The PDP is also held quarterly (coinciding with the quarterly performance reviews), allowing Employees and Line Managers to track progress and make adjustments as needed. The outcome of the review is that the Employee will be appraised, in other words, will be scored or assigned a performance rating in line with this Policy; and

7.2.3 performance reward means the recognising and/or compensating of Employees for achieving a certain level or rating of performance based on the performance ratings in terms of this Policy. Payment thereof is subject to affordability as well as the overall achievement of MRTT's objectives.



8. TIMING OF PERFORMANCE AND DEVELOPMENT MANAGEMENT PROCESS

8.1 The PMDS processes will be carried out throughout the financial year; however there are some key periods where specific aspects of the PMDS process will be mandatory:

8.1.1 first quarter: Signing of the performance agreements and between April and June, which shall be an informal process;

8.1.2 second quarter: between July and September, which shall be a formal process;

8.1.3 third quarter: between October and December, which shall be an informal process; and;

8.1.4 fourth quarter: between January and March, which shall be a formal process.

8.2 Despite the establishment of agreed intervals for evaluation, the entity may in addition review the Employee's performance at any stage while the contract of employment remains in force.

9. ROLE PLAYERS IN THE PERFORMANCE AND DEVELOPMENT MANAGEMENT PROCESS

9.1 The PMDS is a joint responsibility between an Employee and the Line Manager. PMDS provides an opportunity for Employees and Line Managers to work together in a structured way to review performance, identify and describe work expectations, discuss learning and development needs, recognise achievements, provide feedback and plan for future individual and organisational growth and development.



9.2 The Employee's responsibilities are to:

- complete a PA together with the Line Manager, and participate in periodic performance reviews;
- consult with the Line Manager, seek advice and express views about any aspect of work in order to enhance performance and ensure the success of the Employee as part of the success of MRTT;
- seek opportunities and take responsibility for ensuring development and career advancement needs are met;
- make a contribution on performance criteria and plan performance enhancements that can benefit the Employee and MRTT;
- self-assess achievements against approved KPI's, measures and targets;
- seek clarification on job expectations where any doubt or uncertainty exists.

9.3 The Line Manager's responsibilities are to:-

- Set KPI's, measures and targets:
- provide the Employee with details of work expectations, including setting KPI's and reasonable timeframes for their achievement in line with the Sub-Programme and/or Programme and MRTT's strategic and operational KPI's;
- in consultation with the Employee, establish performance criteria and targets that align with operational and strategic plans, these criteria and targets should be aligned to the KPI's outlined above and should be documented in the PA;
- initiate and ensure the PMDS activities, such as the performance reviews, are completed for each Employee in their Sub-Programme and/or Programme and to document same;



- monitor, discuss and provide documented feedback in respect of overall Employee performance and progress towards the achievement of the KPI's, measures and targets;
- agree on the PDP and actions to be taken within the review period; and
- facilitate Employees to undertake training and development
- opportunities that align with the Sub-Programme and/or Programme and MRTT's goals and where possible support other career development opportunities which will in turn benefit MRTT.

9.4 The Head of a Sub-Programme responsibilities are to ensure that appropriate PMDS processes are carried out in accordance with this Policy and to moderate and allocate ratings to inform the payment of performance rewards. Important in this responsibility is to ensure that the Employees in a Sub-Programme and/or Programme have signed PA's by a set date from the HR Department.

10. THE EVALUATION

10.1 The quarterly evaluations shall be held between the Line Manager and the respective Employee.

10.2 The Line Manager must initiate and ensure that evaluations are conducted for each Employee in their Sub-Programme and/or Programme and to document same.

10.3 The evaluations shall be based on the actually achievement of indicators agreed for each deliverable or target.

10.4 The Line Manager and Employee must prepare, discuss and submit evidence to justify scores and/or support performance ratings.



10.5 The first and third quarter evaluations shall be informal, whereas the second and fourth quarter evaluations must be formal.

10.6 An informal evaluation is a “check in” or continual process of feedback to Employees. It is information about how well an Employee is doing their work for the Company and can be conducted frequently during a quarter. Furthermore it is an information sharing session where it is also necessary to identify any performance challenges with the aim of providing assistance, coaching, counselling, should it be necessary. The outcome of the check in exercise shall be kept in the portfolio of evidence (POE) File.

10.7 Formal evaluations are systematic evaluations and processes. The main purpose of formal evaluations is to let an Employee know formally how his current performance is being rated, to identify if an Employee requires formal coaching, counselling and/or training.

10.8 In the first quarter, each Line Manager and a respective Employee shall complete a PA and PDP, wherein the Employee’s KPA’s and outputs are discussed and documented in the PA;

10.9 In the second quarter, a formal evaluation of the Employee’s performance must be conducted against the KPA’s and if necessary, the PDP should be reconsidered and agreed upon.

10.10 In the third quarter, each Line Manager shall conduct an informal evaluation of the Employee’s performance. In the event that the Employee’s performance has not improved by this stage as per the PDP, and/or if there are any critical performance issues to be addressed, then this shall necessitate that the informal evaluation is



stopped and a formal evaluation of the Employee's performance is conducted as soon as possible.

10.11 In the fourth quarter each Line Manager having appraised his subordinate for the last quarter, he shall conduct a formal evaluation of the Employee's annual performance wherein a performance rating is allocated to the Employee's annual performance.

10.12 The PA and PDP should be forwarded to the HR Sub-Programme at the end of the first quarter and the formal annual performance evaluation shall be forwarded to the HR Sub-Programme at the end of the fourth quarter.

10.13 Personal growth and development needs identified during any performance review evaluation must be documented in a PDP as well as the actions agreed to and implementation must take place within set time frames.

10.14 Failure and/or refusal by a Line Manager and/or Employee to conduct and/or participate in all quarterly evaluations, may result in negative consequences, such as being excluded from the formal annual evaluation, and/or qualifying for performance rewards, if any, and being subjected to disciplinary action.

11. MANAGING UNDERPERFORMANCE

11.1 Line Managers should not wait until the end of the performance management cycle to address underperformance issues.

11.2 Where underperformance is identified during a performance review, the Line Manager must set performance improvement KPI's and reasonable timeframes within which improvements are to be achieved. The Line Manager must also agree with Employee on the remedial action that is to be taken to address the



underperformance. This as well as personal growth, development needs identified during any performance review must be documented in a PDP.

11.3 The Line Manager will closely monitor the work of the Employee and communicate frequently with the Employee. The Employee will be provided with the opportunity and assistance to address underperformance. MRTT and the Employee will agree on the KPIs to be used to assess the effectiveness of remedial actions.

11.4 Where there is evidence that underperformance has not been remedied through the performance improvement process, the relevant formal procedures for managing unsatisfactory performance are to be followed and these procedures will apply to both the Line Manager and the Employee.

11.5 If development and support options have been exhausted and performance has not reached satisfactory levels, this may lead to disciplinary action.

12. CATEGORIES OF PERFORMANCE AND RATING SCALES

12.1 MRTT's BSC shall be applicable to the Executive level only. Each Executive must have a PA that is aligned to a specific BSC. The following is an example of a BSC, the content and weighting shall be specific to each Executive:-

Perspective	Outputs	Weighting
Financial		
Learning and Growth		
Customer		
Internal Business Process		

12.2 Employees that are not Executives shall be assessed according to their KRAs as set out and agreed in the PA and/or PDP.



12.3 The following five categories of performance are used for the purpose of performance rating, during the performance review of Employees:

Rating	Category	Description
1	PERFORMANCE UNACCEPTABLE	Performance does not meet the standard expected for the job. The review indicates that the Employee has achieved below fully effective results against almost all the performance criteria and indicators as specified in the PA. The Employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite Management's efforts to encourage improvement.
2	PERFORMANCE NOT FULLY EFFECTIVE	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review indicates that the Employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA.
3	PERFORMANCE FULLY EFFECTIVE	Performance fully meets the standards expected in all areas of the job. The review indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA.
4	PERFORMANCE ABOVE EXPECTATION	Performance is significantly higher than the standard expected in the job. The review indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.



5	OUTSTANDING PERFORMANCE	Performance far exceeds the standard expected of an Employee at this level. The review indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and maintained this in all areas of responsibility throughout the year.
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12.4 Performance shall be based on the performance criteria and indicators as specified in the PA and shall be calculated using the rating scales and formula contained below.

12.5 The rating scales are as follows:-

Rating	Scoring
1	1 to 60%
2	61% to 99%
3	100%
4	105% to 110%
5	110% to 120%

12.6 Each Balance Scorecard or KPA perspective shall be rated according to the abovementioned five-point scale. The score of each is calculated as follows:

For Example:

Balance Scorecard or KPA perspective

$$\text{perspective score} = \frac{\text{weight}}{100}$$

customer perspective = same method

Internal business process = same method

Learning and growth = same method

Total Score = sum total of aforesaid 4 ratings



13. PERFORMANCE AUDITING

13.1 Audits may be conducted of the PMDS on an ongoing basis as well as during the PMDS cycle.

14. DISPUTE RESOLUTION

14.1 The Performance Review Committee (PRC) shall be established to review all disputes relating to the implementation of the PMDS and awarding of performance scores. The committee shall be comprised of representatives from HR Sub Programme, a Trade Union Representative and an independent individual such as an external consultant or a MRTT Employee from another division. The HR Sub-Programme will announce the Performance Review Committee at the beginning of the performance cycle.

14.2 Should an Employee dispute any performance rating assigned to them, they may raise such dispute with the PRC. The Employee should provide evidence in support of the rating they believe they should have received.

14.3 The PRC will be expected to ensure that at least 80% of all the disputes are internally resolved within 7 working days of raising the disputes.

15. APPEAL PROCESS

15.1 The Employee has the right to appeal against any decision by the PRC.

15.2 The Employee must lodge his appeal within 5 (five) Days of being informed of the decision. The grounds of the appeal must be clearly set out.

15.3 An appeal shall be chaired by a person nominated by MRTT. Given the size of MRTT and capacity issues, MRTT reserves the right to appoint an external, suitably qualified appeal chairperson.



15.4 The appeal will only be heard on the grounds of the appeal submitted by the Employee and by having regard to the proceedings, submissions and arguments based thereon. The appeal should not entail that the matter be dealt with de novo.

15.5 The appeal may be dealt with on “on paper”, i.e. through written submissions by the parties without an oral hearing being held or it may take the form of an oral hearing.

15.6 The appeal chairperson shall have the power to confirm or set aside any decision, determination or finding.

15.7 The appeal chairperson shall fix the time, date and venue of the appeal hearing which shall take place within 10 (ten) Days of date of his appointment. In consultation with the parties, the chairperson of the appeal may vary the time and date and order a mutually convenient time, date and venue.

15.8 The parties shall deliver to the other and to the chairperson a brief statement of case at least 2 (two) Days prior to the hearing and no further documents shall be exchanged unless otherwise agreed.

15.9 The statement of case shall concisely set out the facts, conclusions upon which the party relies and the relief the party seeks.

15.10 The hearing will be conducted by the appeal chairperson in whatever manner and procedure that will produce the most expeditious hearing of the matter.

15.11 The appeal chairperson shall make his determination, in writing, within ten (10) Days from the last Day of the hearing or such other period as advised or determined by the appeal chairperson and communicate same, with brief reasons, to the parties.

15.12 Should the Employee still be dissatisfied with the result, the Employee may refer the matter to the CCMA.



16. PERFORMANCE BONUS

16.1 Performance bonuses will be guided by the MRTT Remuneration Policy.

16.2 Notwithstanding the above, MRTT points out the following:-

16.2.1 any bonuses will be calculated based on the performance of MRTT overall, the performance of the Sub-Programme and/or Programme and finally individual performance. A performance rating of 3.5 to 5 is required in order for an Employee to qualify for a performance bonus; and

16.2.2 it should be noted that payment of performance bonuses are always subject to affordability and MRTT's organisational priorities. Performance bonuses are therefore not guaranteed.

17. REWARDS AND/OR RECOGNITION

17.1 Where a Line Manager (as part of the PMDS process) identifies an Employee's performance as outstanding, the Employee may be nominated for an award, subject to the discretion of MRTT. Performance rewards and/or recognition will be guided by the MRTT Remuneration Policy.

18. PROMOTION

18.1 Applications for promotion will be guided by the MRTT Promotion Policy and the employment equity plans.



19. NEW EMPLOYEES, INDUCTION AND PROBATION

19.1 At the time an offer of employment is made, prospective eligible new Employees are to be made aware of this Policy and how to access it.

19.2 The work expectations and performance criteria established during the induction process which shall inform the new Employee's first PMDS process.

19.3 The induction process will involve developing the Employees initial PA and PDP on the PMDS. This will ensure that performance standards and expectations are clearly spelt out at the outset of employment. Areas of development will also be identified at this stage. This process will be closely aligned to the probationary process.

19.4 Probation will complement the induction and performance management processes. The purpose of the probationary period is to ascertain whether the conduct and work performance of the Employee meet the standards expected by the Line Manager before the permanent appointment is confirmed. This process will be underpinned by the PMDS.

19.5 Where an Employee is on probation for a period of more than 3 (three) months, probationary reviews will replace the PMDS process during the probationary period. Annual PMDS processes will commence following successful completion of a probationary period.



19.6 The following five categories of performance are used for the purpose of performance rating, during the performance review and of Employees on Probation:-

Performance category	Total score	Probation	Development
PERFORMANCE UNACCEPTABLE	1	Extend probation, terminate or registration to incapacity code	Agree on development programme in a special Performance Improvement Plan
PERFORMANCE NOT FULLY EFFECTIVE	2	Extend probation, terminate or registration to incapacity code	Agree on development programme in a special Performance Improvement Plan
PERFORMANCE FULLY EFFECTIVE	3	Extend Probation / Confirm appointment	Agree on a normal Development Plan
PERFORMANCE ABOVE EXPECTATION	4	Confirm appointment	Agree on Development opportunities
OUTSTANDING PERFORMANCE	5	Confirm appointment	Consider for promotion

Employees who attain performance at levels 3.5 and above may qualify for a performance bonus, subject to MRTT's Remuneration Policy.

20. TRANSFERRED EMPLOYEES AND/OR EMPLOYEES IN ACTING POSITIONS

20.1 Employees that have been transferred shall carry their review outcomes from the previous position into the new position.



20.2 The aforementioned shall also apply to Employees in acting positions, subject to MRTT's Secondment and Acting Policy.

21. MATERNITY AND LONG LEAVE

21.1 The performance period for Employees who are on extended long leave or maternity leave will exclude the period of absence. Employees will not be disadvantaged by a shorter performance period.

22. REMUNERATION

22.1 Any remuneration aspects or issues will be guided by the MRTT Remuneration Policy.

23. EXTENSION OF EMPLOYMENT BEYOND NORMAL RETIREMENT

23.1 The PMDS will provide valuable performance related information on all Employees that may qualify for an extension beyond normal retirement based on their performance review records.

23.2 Subject to applicable law related to extension of employment beyond retirement, only those Employees who have consistently performed at a significantly high level and have consistently achieved the performance targets or criteria of the relevant Sub-Programme and/or Programme shall be considered for this process.

23.3 All Employees who have been granted extension beyond normal retirement will be subject to the PMDS process. Based on the outcome of this assessment, the level of performance obtained and subject to applicable law, extensions may or may not be granted.



24. MENTORING AND COACHING

2.4.1 Coaching and mentoring may be tools used to continuously improve job related tasks and behaviours and to unlock the potential of Employees to exhibit the behaviours and achieve the results expected by MRTT. Formal and informal mentoring guidelines will be designed by the HR Sub Programme.

25. DISCIPLINARY PROCESS

25.1 Disciplinary processes will be invoked in order to address misconduct or persistent poor performance, including any other performance issues which may initially have been dealt with via other interventions. These performance issues will be identified through the assessment process of the PMDS.

26. MONITORING AND EVALUATION

Programme	Name and Position
Planning and Performance Information	FW Magwandana

27. POLICY REVIEW

Name	Designation	Date Reviewed	Next Date of Review	
Corporate Services	Manager : Human Resource	29-03-2021	30-03-2023	

28. AMENDMENTS



- 28.1 This Policy does not form part of any other document; it replaces and supersedes any previous MRTT grievance policies, procedures or any other similar document.
- 28.2 This Policy shall only be amended, varied or altered in writing. MRTT reserves the right to make such amendments, variations or alterations to this Policy from time to time with written notice of one calendar month being given after proper consultation with all relevant stakeholders.

APPROVAL: The signatories hereof, being duly authorised thereto, by their signatures hereby authorise the execution of the work detailed herein, or confirm their acceptance of the contents of this Policy and authorise the implementation/adoption thereof, as the case may be, for and on behalf of the parties represented by them

Name and Position	Date	Signature
Ms TE Mawelele: Acting Chairperson of MRTT Board	29-03-2021	