

CHEMICAL INDUSTRIES EDUCATION AND TRAINING AUTHORITY (CHIETA)

Performance Management Policy

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1. PURPOSE

- 1.1 The Policy makes provision for the philosophy, principles and procedures aimed at fostering a high performance, sustainable organisation that attracts, develops, retains, and motivates employees to meet both the current and future Organisational needs.

2. OBJECTIVE

- 2.1 CHIETA recognises that the expertise of its employees is central to the achievement of its growth strategy. CHIETA is therefore committed to ensuring that its employees can develop their potential to meet their own aspirations and enhance the value that CHIETA provides to its Stakeholders.
- 2.2 CHIETA therefore aims to:
- Ensure that it attracts and retains the best talent and skills available in the market.
 - Build commitment of employees to CHIETA through the provision of opportunities for them to develop their careers and to meet their career aspirations.
 - Ensure that critical roles are filled with key talent.
 - Contribute to the transformation of CHIETA through attracting and retaining the appropriate diversity-blend in accordance with the organisation's Employment Equity targets.
 - Provide a talent pipeline to equip the CHIETA in the future through internal promotions.

3. SCOPE

- 3.1 Applies to all employees of the CHIETA, excluding temporary employees and Interns.

4. DEFINITIONS AND TERMS

- 4.1 **Business Unit Objectives** means specific and core objectives for the Business Unit which is derived from the organization's strategic objectives.
- 4.2 **Performance contract** means a document agreed upon and signed by the employee and manager. This document is used as the basis for all performance review discussions and providing an evaluation of the employees' progress within a specified financial year.

- 4.3 **Formal Performance Review** means a planned and structured discussion between managers and employees to monitor progress, to resolve problems and to adjust work plans during the annual performance cycle and to identify employee's development needs.
- 4.4 **Performance Rating** means the awarding of a performance score in accordance with the prescribed 5-point rating scale.
- 4.5 **Strategic Objectives** means the desired or required result to be achieved by the CHIETA within a specific time. An objective can be broken down into several specific goals.
- 4.6 **Manager** means the Manager responsible for the review and assessment of an employee. This includes the allocation of work, monitoring of activities and the discussion of performance and development progress.
- 4.7 **Employee** means any person, excluding an independent contractor, who works for another person or for the State and who receives, or is entitled to receive, any remuneration; and any other person who in any manner assists in carrying out or conducting the business of CHIETA.

CHIETA CATEGORY EMPLOYEES

- 4.7.1 Executive Managers to CEO are employed on fixed term contract up to 31 March 2025.
- 4.7.2 Cleaners to Managers are employed for the duration of the NSDP up to 31 March 2030.
- 4.7.3 Temporary Employees are employed for a specific project or a short period and termination occurs through the effluxion of time on the specified date indicated in the contract of employment.
- 4.7.4 Interns are employed for a period of 24 months and the termination occurs at the end of that period.
- 4.8 **MANCO** means the CHIETA Management Committee.
- 4.9 **Evidence** means the evidence an employee would produce to prove the achievement of a key performance area.
- 4.10 **Weighting** means the allocation of a percentage value for each key performance area.

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- 4.11 **One on One discussion** means the informal meetings / discussions on performance during the performance cycle.
- 4.12 **Half Year Review** means the process to provide performance feedback and a subsequent rating of an employee's 6-month performance in the corresponding period.
- 4.13 **Final Performance Review** means the process to annually review the employee's performance against their relevant key performance areas.
- 4.14 **Personal Development Plan** means a formulated skills improvement plan based on potential growth areas identified during the review process.
- 4.15 **Talent** means employees who have been identified as having the competencies and potential to make a significant contribution to the performance and strategy of the Company.
- 4.16 **Performance** means the extent to which an employee delivers in his/her current role which will be reflected in the employee's performance appraisal score on a scale of 1 (one) to 5 (five).
- 4.17 **High Potential (HP)** means an employee that has the potential to move up at least one level in the organisation within the next 3 years.
- 4.18 **Superior Performer (SP)** means an individual with a consistent track record of sustained high delivery of results.
- 4.19 **Talent Pool** means a group of High Potential and/or Superior Performer employees who have been identified as either successors for critical roles or as key talent the CHIETA wishes to retain. There should be a talent pool at senior management / Executive levels; Middle management levels; and junior management levels.
- 4.20 **Skills** means specific qualifications or training necessary to the operations of the Company.
- 4.21 **Competencies** means the combination of skills, knowledge, attitudes, and attributes necessary for performance in a specific role.

Performance Rating	Performance Rating Description	Guidelines
1	Poor Performance (≤ 50% achievement of target)	Consistently does not achieve required levels of performance – negatively impacts on team and / or organisational performance. (Consistently fails to achieve what the staff member is paid a salary for)
2	Below Expected Performance (51% - 99% achievement of target)	On some occasions achieves less than 100% of required performance levels. (On occasion fails to achieve what the staff member is paid a salary for)
3	Expected Performance (100% of target)	Consistently achieves 100% of the minimum required level of performance 100% of the time. Does what the staff member is paid a salary for)
4	Above Expected Performance (101% - 119% achievement of target)	Consistently exceeds 100% of required levels of performance. (Does more than what the staff member is paid a salary for)
5	Excellent Performance (120% + achievement of target)	Consistently and substantially exceeds required levels of performance and innovates to impact or change the organisation/ business unit positively

4.22 Bonus payments will be made according to the approved bonus payment scale.

5. POLICY STATEMENT

5.1 POLICY GUIDELINES

- 5.1.1 Organisational scorecards and Annual Performance Plan (APP) are cascaded to the Business Unit scorecards and thereafter cascaded to Individual Performance Contracts. Individual Key Performance Areas (KPA's) are linked to the overall organisation strategic objectives.
- 5.1.2 Accountability for results is clearly assigned to each Business Unit and well understood by everyone within the CHIETA.

- 5.1.3 The Performance Management System provides an opportunity for development and improvement and is linked to Personal Development Plans (PDP's). Key competencies per position are identified and developed.
- 5.1.4 KPA's within the Business Unit Performance Contracts and the Individual Performance Contracts are weighted in relation to the importance of a particular KPA.
- 5.1.5 Employees are required to provide evidence of performance against each KPA. Input from external stakeholders may be required where applicable.
- 5.1.6 Performance bonuses are linked to performance ratings. Bonuses will be paid according to the approved bonus payment scale.
- 5.1.7 Competencies and standards drive the process of achieving performance results and development.
- 5.1.8 The Performance Management System is consultative, supportive, non-discriminatory, and participative in nature, thus fully involving both the manager and the employee.
- 5.1.9 Individual performance will be formally assessed twice per annum (End of September and end of March) by means of performance assessments.
- 5.1.10 The Performance Management System will serve as the process to assess an employee during the probationary period and assessments will take place on a continuous and regular basis during the probationary period.
- 5.1.11 Employees should conduct self-assessments prior to the performance assessment meeting.
- 5.1.12 The Performance Management system is based on a 5-point rating scale.
- 5.1.13 A percentage of the twenty-two percent annual bonus will be payable and will be based on the overall performance rating of the employee. The percentage bonus payable is based on the total cost to company amount which is inclusive of employee benefits at the end of March of that financial year. (Refer to Annexure A – Annual Bonus Payment Sliding Scale in the Performance Management Procedure)

- 5.1.14 Management will address unsatisfactory/poor performance in accordance with the Labour Relations Act and the relevant CHIETA policies and procedures.
- 5.1.15 Business Unit performance review scores will be moderated by the relevant Executive Manager as well as Unit Managers in accordance with moderation criteria as reflected in the Performance management procedure manual. Overall Performance Review Scores will be moderated by MANCO.
- 5.1.16 The Remuneration and Finance committee will fulfil an oversight function.
- 5.1.17 Should an employee not be satisfied with the moderation score the CHIETA grievance procedure will apply.
- 5.1.18 Performance Agreements are informed by the Organisational scorecards, Business Unit Scorecards, job descriptions and competency profiles of the job.

5.2 PERFORMANCE MANAGEMENT PROCESS & CYCLE

- 5.2.1 The Performance Management Cycle has four key phases, referred to in diagram below:



5.2.2 Planning Phase - March & April

- Strategic objectives, annual Business Unit KPA's and annual individual KPA's and targets are set and confirmed.

5.2.3 Coaching Phase - Half Year Reviews - September (Six Months Performance Reviews)

- The achievement of Business Unit and Individual KPA's are discussed on a continuous basis throughout the financial year.

5.2.4 Evaluation and Moderation Phase – March or April Each Year

- A formal last quarter review and final review is conducted using agreed performance contracts.
- Evidence is produced to prove performance. The approved CHIETA rating scale is applied.
- All performance scores are moderated by MANCO to ensure fair application.

5.2.5 Reward Phase (August/September)

CHIETA employees are rewarded in terms of the performance management and reward policy.

5.2.6 Poor Performance

- There is no reward for Poor Performance.
- Manage cases of Poor Performance using the process described above.

5.3 MONITORING, EVALUATION AND REVIEW

5.3.1 The HR Department is responsible for monitoring and communicating the provisions of this policy to all managers and employees. The HR Department is also responsible for the implementation, evaluation and monitoring thereof. This policy will be reviewed annually OR as and when required due to operational requirements, unless an agreement which overrides this policy informs otherwise.

6. ASSOCIATED POLICIES

- 6.1 CHIETA Learning and Development Policy
- 6.2 CHIETA Disciplinary Policy
- 6.3 CHIETA Disciplinary Procedure
- 6.4 CHIETA Remuneration and Benefits Policy
- 6.5 CHIETA Grants and Funding Policy

7. EFFECTIVE DATE, DATE OF APPROVAL VERSION CONTROL AND QUALITY ASSURANCE

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1 July 2024
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30 June 2025
Version Control:
2
Annual Quality Assurance
Executive Manager: Corporate Services