

INCENTIVE POLICY

1. PREAMBLE

The Department of Cooperative Governance and Traditional Affairs is committed to recognising outstanding performance of all employees by reward/incentive. This policy is developed in accordance with the Provincial Policy on Performance Management and Development System that was adopted by the Provincial cabinet in April 2003, for officials on salary level 1-12.

2. DEFINITIONS

PMDS	- Performance Management and Development
PMDMC	- Performance Management and Development Moderating Committee
INCENTIVE	- Recognition of the Employees who have worked beyond expectation
PERFORMANCE REVIEW	- Formal process of reviewing performance
KPA	- KEY PERFORMANCE AREA

3. PURPOSE

The policy aims at granting special recognition to employees who have performed exceptionally during the assessment period covering 1st. April – 31st March of each financial year. The main objectives of the policy are:

- 3.1 Giving guidance in terms of rewarding good and exceptional performance.
- 3.2 Facilitating and promoting transparency in relation to the management of the incentive reward scheme and the way the policy will be implemented.
- 3.3 Motivating employees to be performers and outcome based driven/oriented in their work and continuously improve their respective performance.

4. AUTHORIZATION

Provincial PMDS Policy Section 4.6

5. REGULATORY FRAMEWORK

This policy is authorised by the following regulations;

- I. Constitution of RSA, 1996
- II. Public Service Act, 1994
- III. Public Service Regulation, 2001
- IV. White Paper on Affirmative Action, 1998

V. Employment Equity Act, 1998

6. SCOPE OF APPLICATION

This policy is applicable to all officials employed by the Department Local Government on salary level 1-12.

7. POLICY STATEMENT

The Provincial policy on Performance Management and Development System requires that exceptional performance should be rewarded.

7.1. INDIVIDUAL PERFORMANCE

An employee who has exceptionally achieved set objectives as an individual shall be rewarded.

An employee, who has been assessed and scored between a minimum of and a maximum of 450 points, shall be rewarded as category 'B' of the performance incentive.

If an employee is assessed and scored between a minimum of 451 and a maximum of 500 points, shall be rewarded as category 'A' of the performance incentive.

7.2. BUDGETING FOR THE INCENTIVES

The Department shall on an annual basis budget 1, 5% of the total wage bill for performance incentives.

7.3. PERFORMANCE INCENTIVE SCHEME

a) Monetary rewards

Performance incentives for employees on levels 1-12 shall be awarded according to good performance assessment results and following will apply:

- i) A minimum of 3% and a maximum of 10% for category "B" (at point scale of between 351 and 450)
- ii) A minimum of 11% and a maximum of 18% for category "A" (at point scale of between 451 and 500) as per Provincial policy.
- iii) Levels 11 to 12 shall not exceed the maximum of 14% for category "A".
- iv) Notch progression shall be awarded to employees who performed at a point scale of between 251 and 350.

8. THE GRIEVANCE PROCEDURE

Grievance procedure mechanism as provided for by Resolution 14 of 2002, of the PSCBC shall apply. Officials dissatisfied with the assessment results, may lodge a grievance immediately after the assessment by the supervisor for that particular quarter and not at the end of the performance cycle.

9. ROLES AND RESPONSIBILITIES

- 9.1. Each official shall rate himself or herself against the required standards agreed upon in the performance plan.
- 9.2. The manager shall separately rate the officials and both reconcile their different scores during the assessment session.
- 9.3. The manager shall provide constant feedback.
- 9.4. The Performance Management and Development Moderating Committee (PMDMC) has the following roles and responsibilities:
 - a) Moderate individuals' performance for consideration of performance bonus.
 - b) Ensure fairness regarding performance assessment of employees and may request motivation for assessment results from the supervisor.
 - c) Shall recommend for payments of performance incentives and seek approval from the Head of Department.

10. MONITORING AND EVALUATION

The Human Resource Planning section shall monitor and evaluate the implementation of the policy within the Department of Cooperative Governance and Traditional Affairs.

11. POLICY REVIEW

The policy shall be reviewed annually or if there are any amendments in the Provincial Performance Management and Development System policy.

APPROVED / NOT APPROVED

MR. S. NGUBANE
ACTING HEAD OF DEPARTMENT
DATE: _____