

# Performance Management

## A practical guide for South African managers

Setting clear objectives, holding useful check-ins, running fair reviews and dealing with poor performance the right way - with four templates you can use tomorrow.

# What is in this guide

1. **What performance management is** — and what it is not
2. **The performance cycle** — plan, monitor, review, develop
3. **Setting objectives that work** — key result areas, KPIs and SMART objectives, with examples
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*This guide is general guidance for managers and HR practitioners. It is not legal advice: for a specific dismissal or dispute, consult a labour law specialist.*

## 1. What performance management is

Performance management is the ongoing work of agreeing what good performance looks like, helping people reach it, and acting on the results. Done well, it gives every employee three things: clear expectations, regular honest feedback, and support to improve and grow.

It is not the same as the annual appraisal. An appraisal is one event in the year; performance management is the conversation that runs all year. Organisations that only appraise once a year usually find that the review becomes a surprise, an argument, or a form that nobody reads.

### Why it matters

**For the business:** work is aligned to the organisation's goals, problems are spotted early, and decisions on promotion, pay and development rest on evidence.

**For the manager:** fewer surprises, easier difficult conversations, and a documented record if performance does not improve.

**For the employee:** knowing what is expected, how they are doing, and what they need to do to grow.

## 2. The performance cycle

Most organisations run performance management as a yearly cycle with four stages. The stages repeat; the conversation never stops.

1. **Plan.** At the start of the year (or when someone starts a new role), agree the key result areas, objectives and measures, and record them in a performance agreement.
2. **Monitor and coach.** Hold short regular check-ins (monthly works for most teams). Track progress, remove obstacles, give feedback and adjust objectives if the business changes.
3. **Review.** At mid-year and year-end, assess performance against the agreed objectives using evidence gathered during the year. Agree a rating and the reasons for it.
4. **Develop and recognise.** Turn the review into a development plan, recognise good work, and feed training needs into your Workplace Skills Plan.

### 3. Setting objectives that work

Start from the job, not the form. Identify three to six key result areas (KRAs) - the main outcomes the role exists to deliver - and set one or two objectives for each. Every objective needs a measure (a key performance indicator, or KPI) so that both sides can tell whether it was achieved.

#### Make every objective SMART

- **Specific:** what exactly must be achieved?
- **Measurable:** how will we know - a number, a deadline, a quality standard?
- **Achievable:** is it realistic with the time and resources available?
- **Relevant:** does it support the team's and organisation's goals?
- **Time-bound:** by when?

#### Examples

| Role             | Weak objective            | SMART objective                                                                                                  |
|------------------|---------------------------|------------------------------------------------------------------------------------------------------------------|
| Administrator    | Process invoices faster.  | Process all supplier invoices within 3 working days of receipt, with an error rate below 2%, measured monthly.   |
| Sales consultant | Grow sales.               | Win R1.2 million in new business in the financial year, including at least 8 new corporate clients.              |
| Team leader      | Improve customer service. | Reduce the team's average query resolution time from 48 to 24 hours by 31 March, tracked in the helpdesk report. |
| HR officer       | Recruit better.           | Fill approved vacancies within 45 days of sign-off, with 90% of new hires passing probation.                     |

**Tip:** Weight the objectives so that the most important work counts most (weights adding up to 100%), and include one or two behavioural objectives - for example teamwork or customer focus - described in observable terms.

### 4. Check-ins and feedback

A check-in is a short, regular conversation - 20 to 30 minutes - about progress, obstacles and support. It is where most of the real performance management happens. Keep a brief note of each one: it becomes the evidence for the review.

#### A simple check-in agenda

1. What has gone well since we last spoke?
2. Where are we against each objective?
3. What is getting in the way, and what support do you need?
4. What will you do before our next check-in?

#### Giving feedback: Situation - Behaviour - Impact

Feedback lands best when it is specific and about behaviour, not personality. Describe the situation, the behaviour you observed and its impact, then discuss what happens next.

|           | Example                                                                      |
|-----------|------------------------------------------------------------------------------|
| Situation | "In Tuesday's client meeting ..."                                            |
| Behaviour | "... you presented the figures without the updated forecast ..."             |
| Impact    | "... so the client questioned our numbers and we lost time correcting them." |
| Next step | "What would help you have the latest figures ready next time?"               |

Use the same model for positive feedback: specific praise for a specific behaviour is far more motivating than "good job".

## 5. The review

The mid-year and year-end reviews assess performance against the agreed objectives. Prepare properly: ask the employee to complete a self-assessment, gather the check-in notes and results, and decide on a provisional rating with reasons before the meeting.

### Rate fairly - watch for these biases

- **Recency:** judging the whole year on the last few weeks.
- **Halo or horns:** letting one strength or weakness colour every rating.
- **Central tendency:** rating everyone in the middle to avoid difficult conversations.
- **Leniency or strictness:** consistently rating too high or too low compared with other managers.
- **Similarity:** favouring people who think and work like you.

Calibration helps: managers compare their provisional ratings in a short meeting before reviews are finalised, so that a '4' means the same in every team.

## 6. Managing poor performance in South Africa

In South African labour law, poor work performance is treated as a question of incapacity, not misconduct. The Labour Relations Act and the Code of Good Practice: Dismissal (2023) expect an employer to help an employee meet the required standard before considering dismissal. In practice that means a fair, documented, supportive process:

1. **Make the standard clear.** The employee must know what is expected - the performance agreement and objectives do this.
2. **Tell the employee where they fall short.** Use specific evidence, not general impressions, and listen to the reasons.
3. **Give support.** Appropriate evaluation, training, guidance, coaching or mentoring - whatever the shortfall requires.
4. **Allow a reasonable time to improve.** Agree targets and review dates in a performance improvement plan (template 4).
5. **Review and record.** Hold the review meetings, record the outcome and the support given.
6. **Follow a fair procedure before any decision.** If performance still does not improve, the employee must have a fair opportunity to respond, with representation, and alternatives to dismissal (such as a different role) must be considered.

**Note:** Probationary employees are also entitled to evaluation, guidance and support during probation; the time allowed to improve may be shorter. If the real issue is misconduct (refusing to follow instructions, for example) or ill health, a different process applies.

*Take specialist advice before dismissing for poor performance; procedural shortcuts are a common reason for CCMA awards against employers.*

## 7. Development and recognition

Every review should end with a development plan: one to three skills to build in the next period, how (training, coaching, a stretch assignment) and by when. Collect these needs across the organisation - they are the raw material of your Workplace Skills Plan (WSP), which supports your SETA mandatory grant claim, and training spend on black employees counts towards the skills development element of your B-BBEE scorecard.

Recognise good performance promptly and specifically. Recognition does not have to be financial: public acknowledgement, more responsibility, development opportunities and flexibility all matter.

## 8. Templates

### Template 1 - Performance agreement

Employee: \_\_\_\_\_ Role: \_\_\_\_\_ Manager: \_\_\_\_\_ Period: \_\_\_\_\_

| Key result area | Objective (SMART) | Measure / KPI and target | Weight | Mid-year | Year-end rating |
|-----------------|-------------------|--------------------------|--------|----------|-----------------|
|                 |                   |                          |        |          |                 |
|                 |                   |                          |        |          |                 |
|                 |                   |                          |        |          |                 |
|                 |                   |                          |        |          |                 |
|                 |                   |                          |        |          |                 |

Signed (employee): \_\_\_\_\_ Signed (manager): \_\_\_\_\_ Date: \_\_\_\_\_

### Template 2 - Monthly check-in

| Date | Progress against objectives | Going well | Obstacles / support needed | Agreed actions | Next check-in |
|------|-----------------------------|------------|----------------------------|----------------|---------------|
|      |                             |            |                            |                |               |
|      |                             |            |                            |                |               |
|      |                             |            |                            |                |               |

### Template 3 - Five-point rating scale

| Rating          | Description                                                                                |
|-----------------|--------------------------------------------------------------------------------------------|
| 5 Outstanding   | Consistently exceeds all objectives; a role model for others.                              |
| 4 Exceeds       | Meets all objectives and exceeds several.                                                  |
| 3 Fully meets   | Meets all objectives to the agreed standard - the expected level for a competent employee. |
| 2 Partly meets  | Meets some objectives; improvement needed in specific areas.                               |
| 1 Does not meet | Does not meet most objectives; a performance improvement plan is required.                 |

### Template 4 - Performance improvement plan

| Standard required | Current performance (evidence) | Support to be provided | Target and timeframe | Review dates | Outcome |
|-------------------|--------------------------------|------------------------|----------------------|--------------|---------|
|                   |                                |                        |                      |              |         |
|                   |                                |                        |                      |              |         |
|                   |                                |                        |                      |              |         |

## 9. One-page checklist

- ☐ Every employee has a signed performance agreement with 3 to 6 key result areas and SMART objectives.
- ☐ Objectives are weighted and linked to team and organisation goals.
- ☐ Monthly check-ins are scheduled and briefly recorded.
- ☐ Feedback is specific: situation, behaviour, impact, next step.
- ☐ Self-assessments and evidence are gathered before each review.
- ☐ Ratings are calibrated across managers.
- ☐ Poor performance is handled with clear standards, support, reasonable time and a fair procedure.
- ☐ Development plans feed the Workplace Skills Plan; good work is recognised.

## How BOTI can help

BOTI trains managers and HR teams across South Africa - at your offices, live online or at a BOTI venue - and is a QCTO-accredited skills development provider and Level 1 B-BBEE contributor.

- [Performance Management Course \(1 day\)](#)
- [Creating High Performing Teams through Performance Management \(2 days\)](#)
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