

# **PUBLIC SERVICE COMMISSION**

## **GUIDELINES FOR IMPLEMENTATION OF PERFORMANCE REWARDS AND SANCTIONS IN THE PUBLIC SERVICE**

**DRAFT**

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## **DEFINITION OF TERMS**

## **ABBREVIATIONS AND ACRONYMS**

CHRAC	- County Human Resource Advisory Committee
HE	- His Excellency
HRM&D	- Human Resource Management and Development
MDAs	- Ministry Department and Agencies
MPMC	- Ministerial Performance Management Committee
SMART	- Specific Measurable Attainable Realistic Time-bound
SPAS	- Staff Performance Appraisal System

## **1.0 INTRODUCTION**

The Government is committed to implementing a comprehensive Performance Rewards and Sanctions Framework comprising financial and non-financial rewards to ensure high levels of staff motivation on a sustainable basis.

The Government has previously put in place various initiatives to reward and sanction performance in the Public Service, there is however, no comprehensive guidelines on implementation of rewards and sanction for individual employees and institutions. The absence of a harmonized framework for administration of a Performance Rewards and Sanctions has made it difficult to provide and implement guidelines that detail circumstances under which recognition initiatives, such as issuance of letters of commendation to employees who perform exceptionally may be granted.

In this regard a framework has been developed to encourage excellence, recognize meritocracy, address poor performance, attract, nurture and retain high performing staff. In order to operationalize the Performance Rewards and Sanctions Framework, specific guidelines have been formulated to ensure smooth implementation of the framework. The guidelines are aimed at providing processes and procedures for implementing the rewards and sanctions.

### **1.1 OBJECTIVES OF THE GUIDELINES**

The objectives of the guidelines for implementation of the performance rewards and sanctions in the Public Service are to:

- i) Establish a basis for rewarding exemplary performance and administering sanctions for poor performance;
- ii) Encourage competition in the delivery of Public Service;
- iii) Motivate public service managers to benchmark performance with best practices globally and to surpass them; and
- iv) Harmonize the incentives and sanctions applicable in the Public Service; and
- v) Guide members of the Ministerial Performance Management Committee (MPMC), County Human Resource Advisory Committee (CHRAC) in the national government, and members of Performance Management Committees in other Public Service organizations to administer rewards and sanctions.

### **1.2 SCOPE OF THE GUIDELINES**

These guidelines shall apply to the public service, except the public service institutions listed in Article 234 (3) of the Constitution. However, these institutions may adopt or customize the provisions of these guidelines for their use.

### 1.3 KEY PRINCIPLES FOR PERFORMANCE REWARDS AND SANCTIONS

In implementing the guidelines for performance rewards and sanctions, the guiding principles shall be as follows:

- i). **Performance standards:** Clear management approved expression of performance threshold(s), requirement(s) or expectation(s) that must be met to be appraised at a particular level of performance;
- ii). **Performance Targets** - The specific and measurable planned level of result to be achieved within an explicit timeframe with given level of resources;
- iii). **Fairness:** The administration of Rewards and Sanctions to be consistent, prompt, impartial, and reasonable and applied without discrimination;
- iv). **Natural justice:** Administration of sanctions should be guided by the principles of natural justice;
- v). **Equal opportunities:** Equal opportunities should be availed to all employees;
- vi). **Timeliness:** Application of rewards and sanction should be done in a timely manner in accordance with existing regulations;
- vii). **Right of appeal:** An employee should have a right of appeal against unsatisfactory sanction or reward;
- viii). **Effective communication mechanisms:** To ensure provision of regular feedback on employees' performance;
- ix). **Coaching and mentoring:** Mechanisms should be put in place to mentor and coach employees for performance improvement;
- x). **Professionalism:** Uphold professional ethics and standards.
- xi). **Objectivity:** General striving, as far as possible, to reduce or eliminate biases, prejudices, or subjective evaluations by relying on verifiable facts; and
- xii). **Transparency:** The condition of a free and open exchange whereby the rules and reasons behind regulatory measures are fair and clear to all participants.

## **2.0 DETERMINATION OF REWARDS AND SANCTIONS IN THE PUBLIC SERVICE**

Determination of rewards and sanctions will be based on Performance Contracting and SPAS as applicable in the Public Service.

### **2.1 Performance Contract**

Performance Contracting is a negotiated process in which State Departments set their performance targets based on their mandates, functions and strategic objectives. The Executive Office of the President shall issue guidelines to Public Service agencies in implementation of performance contracts. Performance contract should be anchored on national development goals. It should be cascaded to all departments, sections, levels and cadres of employees.

### **2.2 Staff Performance Appraisal System (SPAS)**

Each employee in the public service is required to set performance targets at the beginning of each financial year. The institutional performance targets are derived from MDAs Strategic Plans, Performance Contract and government's key priority areas. These performance targets are subsequently cascaded to the department, directorate, divisions, sections, units and to individual employees.

### **2.3 Mid-Year Performance Review**

Every employee must undertake a mid-year performance review to track progress of achievement and to ensure that staffs are on track in achieving their annual targets. Mid-Year review under SPAS shall be conducted by 31<sup>st</sup> January, and it is an opportunity for:

- i) Both the Supervisor and Appraisee to jointly review the progress made by the Appraisee in accomplishing the performance targets agreed on at the beginning of the appraisal period;
- ii) Supervisor and Appraisee to discuss any targets varied and or added in the respective sections of the appraisal report;
- iii) Review any constraints experienced and whether there is need to vary the initial performance targets in order to accommodate any unforeseen circumstances;
- iv) Any changes, additions or removal of performance targets should however, only be made in the event that there have been carried out by the Appraisee, and which may necessitate revision of performance targets; and
- v) In the event that the Supervisor or Appraisee leaves the institution/department, he/she will be required to appraise or be appraised as the case may be on pro-rata basis.

### **2.4 Performance Evaluation**

Performance Evaluation is one of the key components in performance management. It focuses on achieved results and provides the basis for rewarding good performance and sanctioning non-performance. This activity is carried out at the end of the performance period/year.

The evaluation is guided by a rating used to indicate the level of performance by an Appraiser in terms of percentage score as evaluated against a pre-determined performance indicator as agreed at the beginning of performance year.

The Table .....below shows the five SPAS performance evaluation ratings of “Excellent”, “Very good”, “Good”, “Fair” and “Poor”. For purposes of evaluation, the final rating should at all times be based on verifiable evidence as proof of achievement.

## 2.5 Performance Rating Scale for an employee

Table 1 - Performance Rating Scale for an employee

S/No.	Achievement of Performance Targets	Rating Scale	
1.	Achievement higher than 100% of the Agreed performance targets	Excellent	101% +
2.	Achievement up to 100% of the Agreed performance targets	Very Good	100%
3.	Achievement between 80% and 99% of the Agreed performance targets	Good	80% — 99%
4.	Achievement between 60% and 79% of the Agreed performance targets	Fair	60% — 79%
5.	Achievement up to 59% of the Agreed performance targets	Poor	59% and below

## 2.6 Key players in the Rewards and Sanctions process

### 2.6.1 Ministerial Performance Management Committee (MPMC)

The role of the Ministerial Performance Management Committee (MPMC) shall be as follows:

- i) Undertake quarterly review of implementation of Strategic Plans and Performance Contracts;
- ii) Ensure linkage between Institutional Performance Contract and Performance Appraisal System;
- iii) Ensure that the overall assessment of employee performance is within the context of institutional performance as evaluated through staff Performance Appraisal System;

- iv) Ensure that the performance of all officers is evaluated and feedback on performance is relayed in writing at the end of the year;
- v) Hold quarterly performance review meetings;
- vi) Consider performance reports from various departments within the Ministry and make recommendations for improvement;
- vii) Review cases of appeals on appraisal ratings between supervisors and appraisees;
- viii) Make recommendations to the Authorized Officer on the application of Rewards or Sanctions;
- ix) Develop and implement the internal monitoring and evaluation and reporting system; and
- x) Ensure that the integrity and credibility of the overall process of rewards and sanction system is safeguarded and maintained at all times.

## **2.6.2 Head of Human Resource Management**

### **Responsibilities**

- i. Secretary to the MPMC;
- ii. Administration of the SPAS in the State Department;
- iii. Analyze PAS reports and identify training gaps;
- iv. Carry out training and sensitization on SPAS;
- v. Identify SPAS Champions; and
- vi. Ensure succession management of SPAS Champions.
  - i. Facilitate capacity building;
  - ii. Coordinate training;
  - iii. Carry out training needs assessment;
  - iv. Prepare training programs for performance gaps identified in SPAS; and
  - v. Maintain a skills and competences database.

## **2.6.3 Head of Department/Division/Unit**

### **Responsibilities**

- i. Ensure each officer is aware of the State Departmental strategic plans, performance contract, departmental objectives, work plan and service charters;
- ii. Define jobs and prepare job descriptions for officers in the department/division/unit;
- iii. Ensure everyone in the department/division/section is on SPAS;
- iv. Prepare departmental/divisional/unit workplans as per set time frames;
- v. Ensure development of individual workplans and setting of performance targets in the department/division/unit;
- vi. Sensitize all officers on objectives of the department and SPAS;
- vii. Manage and evaluate staff performance; and
- viii. Manage Human Resources in the Department/Division/Unit.

## **2.6.4 PAS Champions**

## **Responsibilities**

- i. Guide the implementation of SPAS in the State Department/County;
- ii. Sensitize staff in the State Department on SPAS, including induction of new staff on SPAS;
- iii. Ensure availability of the SPAS instruments and other necessary documents for individual work planning such as State Departmental Performance Contracts and Service Charters;
- iv. Coach on individual work planning, setting of SMART Performance Targets and Performance Reporting; and
- v. Mainstream training on change management in State Departmental and County Training Programmes.

### **2.6.5 Supervisor**

#### **Responsibilities**

The Supervisor/ is responsible for SPAS compliance of all individual staff members under his/her direct supervision through the following actions:-

- i) Setting targets with the Appraisee and supervising staff under him/her;
- ii) Ensuring that the incumbent job holder knows what he/she is accountable for and what needs to be done to succeed;
- iii) Monitoring progress and managing the Appraisee's performance by regularly obtaining and giving feedback;
- iv) Ensuring that officers prepare individual work plans and prepare quarterly reports at specified timelines;
- v) Ensuring provision of resources as agreed with the Appraisee in the individual work plan;
- vi) Coaching, mentoring and recording milestones;
- vii) Compiling a report on training needs of all the Appraisee's and submitting the same to the Head of HRM&D;
- viii) Compiling quarterly reports on SPAS and submitting them to the Head of Department; and
- ix) Conducting end of year evaluation and submitting evaluation report to the head of department.

### **2.6.6 Individual Officer (Appraisee)**

#### **Responsibilities**

- i) Perform assigned duties as agreed with the supervisor;
- ii) Obtain departmental work plan and objectives from the Supervisor to be able to develop individual work plan;
- iii) Obtain departmental work plan from supervisor;
- iv) Develop and discusses individual work plan;

- v) Indicate resource requirements in the work plan and discusses the same with Supervisor;
- vi) Set and agrees on targets with Supervisor;
- vii) Give regular feedback on performance and point out any problems being encountered;
- viii) Prepare quarterly performance reports prior to mid-year review and end of year appraisal; and
- ix) Accountable for meeting the agreed targets.

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### 3.0 ADMINISTRATION OF REWARDS AND SANCTIONS

Performance rewards and sanctions will be administered in accordance with the institutional framework set out in these guidelines. Performance rewards and sanctions will be applicable in two levels, namely:

- i) Agency level – performance of a Public Service Agency; and
- ii) Employee level – performance of a manager or employee of a Public Service Agency.

#### 3.1 Administration of Rewards and Sanctions at the agency level

Performance contracting evaluation results will be used to guide rewards and sanctions of an agency.

At the agency level, performance rewards and sanctions will be applicable to:

- i) Cabinet Secretaries;
- ii) Principal Secretaries and Accounting Officers;
- iii) Chairmen and Directors of State Corporations;
- iv) Chief Executive Officers of State Corporations; and
- v) All other employees serving in the MDAs

##### 3.1.1 Types of Rewards and Sanctions at Agency Level

Various types of rewards and sanctions will be applied at the agency level.

- a) An agency which is assessed to have achieved exemplary performance during a given financial year will be rewarded appropriately as follows:
  - i) Floating Presidential trophy for the top three agencies in each category for excellent performance;
  - ii) Institutional Certificate of Recognition for “Excellent” and “Very Good” performance signed by H.E. the President; and
  - iii) A token of appreciation to the employees in the agency as approved by the Public Service Commission from time to time.
- b) An agency which is evaluated to have performed “Fairly” or “Poorly” during a given financial year will be sanctioned as follows:
  - i) Cautionary letter by HE the President for Fair performance;
  - ii) Censure letter signed by HE the President and cited for poor performance; and
  - iii) Non-renewal of contract for he heads of the agency for poor performance.
- c) For the purpose of rating individual agencies under Performance Contracting, the following evaluation criteria will be used:

Table 2 - Rating at the Agency Level

	Achievement of Performance Targets	Rating Scale Composite Score		Reward
1.	Achievement greater than or	Excellent	130%	Floating Trophy and

	Achievement of Performance Targets	Rating Scale Composite Score		Reward
	equal to 130% of the agreed performance targets.		and above	Certificate of Recognition signed by HE the President
2.	Achievement between 100% and 130% of the agreed performance targets.	Very Good	100% - 130%	Certificate of Recognition signed by HE the President
3.	Achievement between 70% and 100% of the agreed performance targets.	Good	70 - 100%	-
4.	Achievement between 50% and 70% of the agreed performance targets.	Fair	50 - 70%	Cautionary letter by HE the President
5.	Achievement up to 50% of the agreed performance targets.	Poor	50% and below	Censure letter by HE the President and cited for poor performance

### 3.2 Types of Rewards and Sanctions at Employee Level

An employee who attains excellent performance may be considered for rewards of bonus cash payment, roll of honor and letter of commendation. An employee who consistently underperforms will face sanctions based on individual scores as indicated in the table below:

Table 3 - Types of Rewards and Sanctions at Employee Level

S/No.	Achievement of Performance Targets	Rating Scale		Reward/Sanction
1.	Achievement higher than 100% of the agreed performance targets	Excellent	101% and above	To be considered for 13th month salary, placement on Roll of honour and Letter of commendation
2.	Achievement up to 100% of the agreed performance targets.	Very Good	100%	Letter of commendation
3.	Achievement between 80% and 99% of the agreed performance targets	Good	80 - 99%	Place on performance improvement plan to attain higher performance
4.	Achievement between 60% and 79% of the agreed performance targets	Fair	60 – 79%	1st year – place on performance improvement plan 2nd year – warning letter 3rd year – final warning letter 4th year - separation

S/No.	Achievement of Performance Targets	Rating Scale		Reward/Sanction
5.	Achievement upto 59% of the agreed performance targets	Poor	59% and below	1st year – warning letter 2nd year – final warning letter 3rd year - separation

**Note:**

- i) An organization may recommend to the Public Service Commission an officer who attains a score above 100% of the agreed performance targets for consideration for an award of 13th salary subject to the total number of officers being awarded not exceeding 5% of the total number of officers in that organization. Where the numbers of officers who have attained a score above 100% exceed 5%, the best of 5% will be awarded and placed on the Roll of Honour.
- ii) All officers who attain a score of 100% and above will be recognized through a letter of commendation signed by the Authorized Officer.
- iii) An officer who attains a score of 80% to 99% of the agreed performance targets will be placed on a performance improvement plan to enable the employee to attain higher performance. A performance improvement plan is an action plan that may include, among others, coaching and mentoring, on the job training, counseling and provision of necessary resources.
- iv) All officers who attain a score of less than 80% will be placed on a performance improvement plan or sanctioned as indicated in the table. Individual letters to the respective officers will be signed by the Authorized Officer.

**3.2.1 Roll of Honour for Excellent Performance**

Names of employees who demonstrate excellent performance will be published in the Public Service Commission Rolls of Honour annually. Such employees may be considered for nomination for National Honors and Awards.

**3.2.2 Letters of Commendation by Authorized Officers**

A letter of commendation will be issued to an employee for distinguished performance that contributes to increased output and institutional efficiency.

**3.2.3 Promotions**

Promotions are a major incentive for hard work and better performance. The promotion criteria shall include:

- i) Demonstrated satisfactory performance for at least three (3) years, as evidenced in the SPAS reports;
  - ii) Prescribed qualifications for holding or acting in the office;
  - iii) Contribution to the efficiency of the public service;
  - iv) The provable experience and demonstrable milestones attained by the employee;
- and

- v) The standards, values and principles set out in Articles 10, 27 (4), and 232 (1) of the Constitution.

#### **3.2.4 Paid Vacations**

Employees in Job Groups 'H' and below, and equivalent grades in the public service, who attain excellent performance, and have made significant contribution to service delivery in their respective areas, may be recommended by the Authorized Officer for a paid vacation within East Africa, subject to approval by the Public Service Commission.

#### **3.2.5 Employee of the Year Award**

Organizations will identify employees who demonstrate excellent performance during the year and recommend them for consideration of award based on the criteria set out by the Public Service Commission from time to time. Nominations for the employee of the year award should be submitted to the Public service Commission not later than 31<sup>st</sup> August every year.

The employee of the year will be awarded a one-time payment equivalent to an officer's two (2) months basic salary, a certificate of commendation and an engraved trophy.

#### **3.2.6 Contract Renewal**

Renewal of an employee's service contract will be based on performance, subject to the provisions of the rewards and sanctions applicable to the rating scale shown in Table 3.

#### **3.2.7 International Award Recognition**

An employee, who is awarded an international award issued by an internationally recognized body, will be listed in the roll of honor issued annually by the Public Service Commission. The employee who wins the award should submit a copy of the recognition certificate to the Public Service Commission through the Authorized Officer.

#### **3.2.8 Nomination for National Honours and Awards**

The award of National Honours and Awards is in recognition of exemplary performance in service delivery and positive contribution to the wellbeing of society. Public Service employees who meet the prescribed criteria will be eligible for nomination by their respective organizations. The criteria for nomination are as provided in the National Honours Act.

The National Honors and awards may be recalled if the beneficiary compromises the integrity of the award as provided in the National Honours Act.

## **4.0 INSTITUTIONAL FRAMEWORK FOR IMPLEMENTATION**

To ensure implementation of the rewards and sanctions guidelines, the following institutional framework will be used.

### **4.1 Public Service Commission**

The Public Service Commission shall:

- i) Issuance of the rewards and sanctions guidelines to the public service;
- ii) Be responsible for approval of the awards under the guidelines;
- iii) Guide the National Treasury on provision of funds to the MDAs for implementation of the awards;
- iv) Prepare and publicize the annual Rolls of Honour for excellent performance and international awards;
- v) Process the awards for the employee of the year;
- vi) Submit to the Executive Office of the President the names of Employee of the Year awardees for consideration for National Honours and Awards; and
- vii) Review the rewards and sanctions guidelines in consultation with stakeholders.

### **4.2 Ministry Responsible for Public Service**

Ministry Responsible for Public Service shall:

- i) Coordinate implementation of SPAS in the public service;
- ii) Coordinate submission of annual reports on rewards and sanctions from MDAs; and
- iii) Monitor and evaluate implementation of the rewards and sanctions guidelines in the public service;

### **4.3 Ministries Departments and Agencies (MDAs)**

The Ministries Departments and Agencies shall:

- i) Ensure that all employees are on SPAS;
- ii) Submit recommendations for awards and sanctions to the Public Service Commission;
- iii) Submit nominees' for the employee of the year to the Public Service Commission;
- iv) Submit international awards to the Public Service Commission;
- v) Prepare and submit annual report on rewards and sanctions to the Ministry Responsible for Public service and the Public Service Commission; and
- vi) Implement rewards and sanctions upon approval by the Public Service Commission

#### **4.4 National Treasury**

The National Treasury shall make specific budgetary provision for awards under these guidelines. The Public Service Commission shall guide the National Treasury for provision of funds to the MDAs for implementation of the awards.

#### **4.5 The Executive Office of the President**

The Executive Office of the President shall receive and consider the recommendations for the National Honours and awards in accordance with the provisions of the National Honours and Awards Act.

#### **4.6 Performance Management and Coordination**

The department responsible for Performance Management and Coordination shall:

- i) Develop, review and issue guidelines on performance contracting in the public service;
- ii) Coordinate the process of performance in the public service;
- iii) Provide logistical and technical support to performance contracting agencies, Ad-hoc Evaluation and Negotiation Committees;
- iv) Monitor performance to ensure that the contracting parties are within the parameters of the agreed performance targets;
- v) Sensitize/induct concerned parties into the process of performance contracting; and
- vi) Carry out research, development and bench mark on best practices in performance management both locally and internationally.

## 5.0 MONITORING AND EVALUATION

The implementation of the guidelines will be monitored and evaluated on an annual basis to assess the extent to which the rewards and sanctions have contributed to enhanced performance of the public service and overall service delivery to the citizenry.

The outcome of the monitoring and evaluation will be used to guide on the improvement and design of future guidelines on rewards and sanctions with a view to ensuring sustainability in recognizing and rewarding excellent performance while sanctioning poor performance..

The reporting mechanisms and continuous feedback will be undertaken through the institutional framework provided in these guidelines.

The guidelines shall be reviewed every three (3) years or as need arises in order to address emerging issues.

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