



POLICY

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NATIONAL HEALTH LABORATORY SERVICE

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**NATIONAL HEALTH
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**PERFORMANCE PAY
PROGRESSION
POLICY**

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TABLE OF CONTENT

No	SECTION	PAGE
1.	Definition of Terms	4
2.	Preamble and strategic intent	5
3.	Guiding Principles	5
4.	Scope and Application	6
5.	Legal Framework	6
6.	Performance Pay Progression	6
7.	Performance Pay Progression Criteria and Governance	8
7.1	Performance Pay Progression Criteria	9
7.2	Performance Pay Progression Governance	9
8.	Policy Review	10
9.	Appendices : <i>Performance progression assessment template</i>	11

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1. DEFINITION OF TERMS

Annual performance evaluation is the last step of the performance management process in which an employee's final review and assessment of the annual performance takes place, it usually happens at the end of the performance cycle. The results of this evaluation undergo a moderation process and are the overall annual performance score for the employee during the entire performance cycle.

Moderation the review of employee assessment scores by a committee to ensure consistency and fairness across the department through a common understanding of performance standards required at each level of the rating scale.

Output: a concrete result or achievement (i.e. a product, action or service) that indicate that which was delivered.

Performance Pay Progression (PpP) is a way of linking salary progression to an individual exceptional performance, measured against pre-agreed performance objectives and outputs which could be indicated by a performance rating of greater than a three (3) rating meaning the rating of a 4 or 5 in accordance with the performance management rating scale.

Performance: is an output/results emanating from a given task, measured against pre-set known standards and measures which lead to the delivery of results.

Performance agreement: a document agreed upon and signed by an employee and his or her supervisor, which includes outputs, success measures, targets and the employee's personal development plan and/or performance improvement plan.

Performance assessment: the formal process is usually referred to as performance appraisal or assessment, while more informal processes are referred to as performance review.

Performance cycle: a twelve (12) month period, for which performance is planned, managed and assessed. It must be aligned to the same period as the Department's annual business plan i.e. 1st April to 31st March of the following year.

Performance incentives/rewards: a set of rewards (i.e financial or none financial) linked to the results of the moderated performance evaluation, example; performance pay progression, performance bonus, long service awards, prize awards and employee of the year etc.

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2. PREAMBLE AND STRATEGIC INTENT

The NHLS Recruitment and Selection Policy provides a clear strategy with regard to the overall Recruitment and Selection process where candidates are selected based on meeting the minimum inherent requirements of the job. This includes qualifications, knowledge, experience and skills which are therefore used to determine the actual grade of the job which is the worth/value of the job.

It is expected that employees will perform and produce outputs at the level they are appointed, however, the NHLS acknowledges that there are employees who will perform beyond the expected levels, and in order to motivate and encourage these employees it is therefore befitting to introduce a system that will support such behavior.

The NHLS intends to implement and maintain a performance progression system for the general and management staff hence this document will seek to provide guidance on the criteria to be followed when managing such performance linking it to a pay progression tool from one salary band to the next higher salary band attached to the same salary grade.

This policy must be read in conjunction with the following policies:

- Recruitment and selection policy
- Performance management policy
- Remuneration and reward policy
- Integrated Talent management policy

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3. GUIDING PRINCIPLES

- 3.1 The NHLS is committed to the principle of equal pay for work of equal value and recognizes the importance of rewarding staff in a fair, transparent and consistent manner.
- 3.2 The process provides NHLS leadership with a transparent framework for recognizing and evaluating exceptional performance.
- 3.3 Differentiation of performance at the same level of work is intended to encourage staff to excel more by promising them a reward in return of their extra effort.
- 3.4 The performance review and evaluation will be based on output delivered and not on individual competencies acquired – meaning competency demonstrated.
- 3.5 Performance Pay Progression should not be seen as an automatic right by employees but rather it is something to be earned and is a reward that is dependent on sustained exceptional performance and conduct.

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3.6 Performance Pay Progression is conditional upon individuals demonstrating that they have achieved the required level of performance against set agreement. Refer to performance management policy.

3.6 The NHLS has adopted a pay structure with progressive salary ranges which will allow upward progression to distinguish sustained exceptional performance from average and below performance.

4. SCOPE AND APPLICATION

This policy is applicable to all employees of NHLS both permanent and fixed-term contract employees.

5. LEGAL FRAMEWORK

The policy framework is in accordance with applicable legislation and any relevant policies and guidelines of the NHLS.

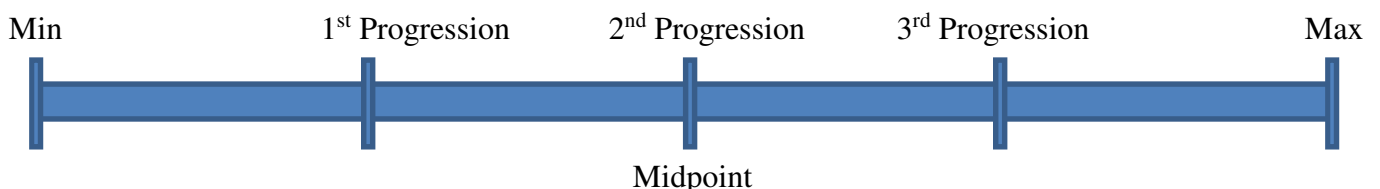
6. PERFORMANCE PAY PROGRESSION

The NHLS has two distinct grading systems namely narrow and broad band. The narrow band is applicable to all general and management roles and it consists of five levels, example C1, C2, C3, C4, and C5.

The broadband is applicable to five healthcare professional roles which are technicians, technologists, medical scientists, medical officers and pathologists and also consist of four levels namely entry, intermediate, principal and expert.

A key difference between the two grading systems is that in the narrow band, progression into a different level of the same band is vacancy driven whilst in the broad band progression is performance-proficiency driven.

Common to both grading systems is that each level has a pay range such as minimum, median and maximum. The purpose of the performance progression standard is to facilitate movement from the minimum range towards the maximum range.



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A performance pay progression structure with five levels is proposed i.e. minimum, 1st Progression, 2nd Progression (or Midpoint), 3rd Progression and 4th Progression (or Maximum); with a 5% gap between each level. This would translate into a salary differential of up to twenty percent (20%) for employees who are within same grade and have differentiated performance deliverable – thus equitable pay for work of same level.

6.1 Minimum/entry point: this represents an entry point into the level of work where full performance is demonstrated and is deemed to be equivalent to the minimum worth of the job. The employee at this point delivers in accordance with set and agreed performance standards in all areas of the job. A mature performance is expected, yet the employee may still have scope for performance improvement. If all employees in a department or unit were to perform at this level, the department's performance will also be at expected performance not exceeding expectations – just meeting obligations. All employees are expected to perform at this level to maintain employment relationship at healthy level.

As a norm and in accordance with a duty and right principle, this is what the employee is getting paid for – delivering set and agreed outputs. This is reflected or indicated by a moderated performance rating of a three (3) at the end of the performance evaluation. The performance status is Full Performer (FP).

Employees who consistently perform at this rating which is fully meeting expectation will only benefit through the annual salary increase. The requirement here is also to meet the minimum qualification of the job. Progression into the next level is for recognition and appreciation of sustained exceptional performance above the norm.

In order to be considered for progression to the next level the employee should have at least in the past two years obtained a performance status of Strong Performer (SP) and Full Performer at this level of work, as per agreed performance contract. This is reflected by the moderated performance rating of a four (4).

6.2 The first/ 1st Progression: this represents the first growth or being first amongst peers, by upholding a strong performance at entry and now ready to contract at higher level or greater than the norm. This employee has career total years greater than five (5) years at this level and it is backed by solid demonstrable performance. Continuing performance status of full performer means the employee will retain this placement level and now continue to benefits from inflationary annual increase. It is expected that the employee will be in possession of the minimum qualification of the job but working towards additional desirable qualifications of the job defined as added advantage.

In order to be considered for the progression to the next level which is the midpoint the employee will require sustained strong moderated performance rating of four (4) within two years with a status of Strong Performer (SP). This employee to at least retained or sustained a performance status of Strong Performer (SP) for two (2) years – reflected by the moderated rating of a four (4).

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6.3 The second/ 2nd Progression/Midpoint: this represents real growth and performance above the norm. It means delivered overall outputs or performance standard is greater and/or higher than the standard expected on the job. The employee is a strong performer in the current job, yet there are still some areas of growth in short to medium term on some areas of the broader job profile.

The moderated performance evaluation indicates that the jobholder has achieved an overall performance rating of a four (4). This means performance exceeds set standards as per performance agreement. The requirement in this level is to possess above minimum qualifications often defined as added advantage and is more than five (5) years in the role.

In order to progress to the next level, the employee must demonstrate sustained performance status of at least Strong Performer (SP) and Exceptional (SP) for two (2) years at the same level of work. In addition, this employee is a well-known performer, who lives and upholds the NHLS values.

6.4 The third/ 3rd Progression: this refers to the movement of an employee who is at midpoint/median and has demonstrated sustainable strong and exceptional performance against agreed standard. At this level the employee is expected to be working towards an exceptional qualification which is over and above the advantage as listed in their job profile and is not less than seven (7) years in the current role.

In order to progress to the next level, the employee's performance in a period of two years must be at Exceptional Performance (EP). This is reflected through a performance rating of a five (5). The incumbent is expected to possess exceptional qualifications over and above the advantage as listed in their job profile and is more than ten (10) years in the current role. This employee is a well-known exceptional performer, who lives and upholds the NHLS values. This employee perform duties of a higher job, than his/hers.

6.5 The forth/ 4th Progression or Maximum: at this level performance significantly exceeds the standard expected in the job. The employee is a significant exceptional high performer that has demonstrated significant above performance relative to the agreed performance standard of the level of work. This is demonstrated by obtaining a moderated performance rating of a five (5) in the performance evaluation.

This employee performance status in the previous two years preceding this progression was Exceptional Performer (EP). Should and when this employee's performance become FP in subsequent years, s/he will continue to earn like all others in terms of the annual inflationary increase.

If employees at this level continue to demonstrate capacity for growth, the organisation must explore their development within the context of integrated talent management process and prepare them for the next level of work which maybe vacancy driven or next progression level for health professional roles.

7. PERFORMANCE PAY PROGRESSION CRITERIA AND GOVERNANCE

The criteria for progression should be demonstrable and sustained for at least two (2) years at full, strong and exceptional performance. The combination of full performance and either strong or exceptional performance shall be deemed as an above average sustained performance within at least two (2) year cycle, for progression to the first progress level only. This must be at the same level of work, but in an event an employee is promoted, a new cycle will start.

7.1 Performance Pay Progression (PpP); in order for an employee to participate or be eligible for performance pay progression the following criteria must be achieved;

- (i) It is mandatory for all employees to have performance agreement in place; both the employee and line manager are equally accountable and responsible to ensure 100% compliance with the performance agreement as per policy guidelines.
- (ii) The performance agreement must have been reviewed in September of each year as per policy guidelines and captured in the system or signed hardcopy available.
- (iii) The final moderated performance evaluation rating and performance status communicated and /or feedback given to the employee not later than a month after the moderation process.

7.2 Governance of the Performance Pay Progression; to ensure proper governance and uphold the principle of good governance the Remuneration and Human Resources Committee (RHRC) shall continue its oversight and Board delegated authority to matters of employee remuneration and policies with the ultimate authority to approve and endorse any changes made to the performance pay progression principles. To this extent;

- (i) The final moderated score and the budget thereof must and will be approved by the Remuneration and Human Resource Committee (RHRC) of the Board.
- (ii) The implementation and effective date of the approved results shall always be in October of each year.
- (iii) The performance pay progression (PpP) should always be differentiated from inflationary annual increase; which always get effected in April of each year. The inflationary annual increase is for mitigating against depreciation of the worth of the job, appreciate the market movements and retention of strategic intent and pay philosophy. Conversely performance pay progression (PpP) is for the recognition, appreciation and demonstration of gratitude for the work delivered above expectation.
- (iv) Employees who continuously deliver at full performance of their work shall only receive the annual inflationary increase while sustained strong and exceptional performers shall receive an added reward through the performance pay progression (PpP) in their second year of sustained exceptional performance.

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- (v) Employees who demonstrate a combination of different performance standards during evaluation i.e. in one year they fully meet expectation and in the following year they exceed expectation, will be eligible to progress to the next level up to even though the criteria for progression is two years of sustained exceptional performance.
- (vi) Underperforming employees will engage with their line managers through a performance improvement plan while on performance terms – with the intent to return them on performance track. When coaching, facilitation, training and counseling fails, a normal poor performance enquiry shall be followed and guided by NHLS policies and code of good practice.
- (vii) Pay progression shall be dependent upon significant exceptional performance against performance criteria based on current agreed objectives and outputs which could be indicated by a performance rating of 4 or 5 in accordance with the performance management system.
- (viii) This pay progression process shall also undergo a robust moderation assessment in order to uphold the principle of equity and fairness.

8. POLICY REVIEW

The Executive Human Resources is responsible for reviewing and updating this policy. A formal review of this policy shall take place every year or earlier if any update necessitates an earlier review. This policy will be submitted for review to the Remuneration and Human Resources Committee, who will make recommendation to the Board. The Board is responsible for approving this policy.

Appendix 1

The template below must be completed for all employees to be considered for pay progression.

Performance Progression Assessment Template

Assessment Criteria	Entry /Minimum (level 3)		Midpoint/Median (level 4)		Maximum (level 5)	
Performance Descriptors	(i) Full Performer (FP) (ii) Obtain performance rating of 3 (iii) Entry and fully meeting expectations. (iv) Employee performs in accordance to the performance standard of the job. (v) Employee will benefit through annual salary increase. (vi) Full Performer/Strong Performer		(i) Strong Performer (SP) (ii) Obtain performance rating of 4 (iii) Greater than ≥ 5 yrs in role & exceed expectations (iv) Sustained strong performance above the agreement performance standard of the job. (v) Demonstrated sustained strong performance over a period of two years. (vi) Strong Performer/Strong Performer		(i) Exceptional Performer (EP) (ii) Obtain performance rating of 5 (iii) Greater than ≥ 10 yrs in role & exceed expectations (iv) Sustained exceptional performance above the agreement performance standard of the job. (v) Demonstrated sustained exceptional performance over a period of two years. (vi) Exceptional Performer/Exceptional Performer	
Qualifications	Minimum qualification		Above minimum qualification – added advantage.		Exceptional qualification over and above the advantage as listed in the job profile	
Competency (skills, knowledge and attributes)	1.					
	2.					
	3.					
	4.					
	5.					
Outputs and Success Measures	Outputs	Success Measures	Outputs	Success Measures	Outputs	Success Measures
	1.	<i>i.e quality, quantity, time & level</i>		<i>i.e quality, quantity, time & level</i>		<i>i.e quality, quantity, time & level</i>
	2.					
	3.					
	4.					
	5.					
(Current) Overall Performance Status	Full Performer (3)		Strong Performer (4)		Significant High/Exceptional Performer (5)	
(Previous) Years of Performance	Year 1 (i.e. Full Performer, Strong Performer and/or Exceptional Performer)		Year 2 (i.e. Strong Performer and/or Exceptional Performer)		Year 3 (i.e. Strong Performer and/or Exceptional Performer)	
Recommended Progression Point	Minimum	1 st Progression	2 nd Progression/Midpoint		3 rd Progression	Maximum

*Previous – previous years of performance evaluation
Current – current year of performance evaluation*

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