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## **Agenda item 2 (a)(ii) and 2(c) (iii): Employee Regulations Amendments**

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### **Proposed Recommendations:**

The Board is invited to **note** and **endorse** the proposed amendments made to the Employee Regulations in line with the Human Resources review recommendations in the HR Implementation plan that was approved by the Board.

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### **Purpose**

This paper seeks to update the Board of revised changes in the Employee Regulations to accommodate the recommendations given in the Human Resources Consultancy report that was tabled to the Board in the last two Board meetings. These reflect the changes in the Employee Regulations in terms of existing processes to be in line with other CROP Agencies.

### **Background**

2. Members will recall that at the last Board meeting in November 2020, the Secretariat was tasked to work with the Human Resources Committee (HRC) and the HR Consultant to progress the Human Resources Review implementation plan that was submitted by the HR Consultant. The Secretariat proceeded to work with the HRC and other interested Members to advance this work going through each of the amendments to be made to determine their appropriateness. Significant contributions were made by Ms Erica Biddle of Australia as Chair of the HRC as well as New Zealand and Samoa. The changes are listed in the attached table which the Secretariat will speak to during the March 2021 Board meeting.

3. The Human Resources Review was completed in December 2020 and the HR Consultant submitted five reports in total. Four reports were submitted to the Board in July. One of the reports outlined the new remuneration policy and also Governance regulations. The Board approved in their last Board meeting that the HR review recommendations in report four were to be incorporated into the Employee regulations.

### **Resource Implications**

4. There are no expected resource implications or associated costs to amend the PIDC employee regulation document that have not been budgeted or planned for. In this regard, Board Members are invited to note and consider endorsing the proposal to amend the "Employee Regulation" document to reflect the changes recommended in the Human Resources Review that was approved by the Board in the last two Board Meetings last year and also out of session. Outlined below are the proposed revised changes and new insertions in the employee regulations for the Board's consideration.



Document	Article/Section Employee regulation document	Recommended text insertion	Comments
<i>PIDC Employee Regulation</i>	34.5 All employee salary scales are reviewed three (3) yearly, consistent with CROP Agencies.	34.5 The PIDC salary scale or structure is to be reviewed on a three yearly basis to be consistent with practices of CROP agencies.	The recommendation covers both the employee and the PIDC salary structure.
	<b>New Insertion</b>	34.7. This review is to be calculated using Samoa's average inflationary rate for three financial years to adjust the Salary Scale and bands. The inflationary rate is from July to June in compliance with the PIDC and Samoa's financial year.	There was no clear indication on how to calculate the inflation rate in the current employee regulations but the new policy indicates that the average inflation rate is to be used. Note the qualifier in 34.6 where any amount above 2.5% will require PIDC Board approval.
	<b>New Insertion</b>	34.8 The new Salary scale has a 5% range to differentiate one step from the other so the starting rate is 80% and the next step is 85% and then 90% and so forth.	In the current PIDC there were no steps to indicate how to move in the current salary scale after performance review annually for each employee.
	<b>New Insertion</b>	34.9 Employees salaries shall automatically convert to the corresponding step under the new Salary Scale subject to the Board approval of the average inflationary rate.	There new policy clearly indicates that every three years each employee will automatically change to reflect the inflation rate which was not in the policy before.

Document	Article/Section Employee regulation document	Recommended text insertion	Comments
	35.1 The Head of Secretariat retains the flexibility to appoint professional and support employees to whatever percentage on the salary scales considered appropriate by the Head of Secretariat having regard to the skills, knowledge and experience of the individual, budget and any other relevant factors.	35.1 The Head of Secretariat <b>has</b> the flexibility to appoint professional and support employees to an <b>appropriate</b> level on the salary scale based on the knowledge experience, skills and attributes of the individual subject to PIDC funding availability.	The review reflects the power that the HOS has during the recruitment process for each employee but as long as it is based on their knowledge, experience and qualification; and funding availability
	35.1 In relation to the Head of Secretariat, The PIDC Chair will take on this role	35.1 In relation to the Head of the Secretariat, <b>the PIDC Chair will take on this responsibility. In the same spirit indicated in 35.1 the PIDC Chair has the flexibility to appoint the HoS at an appropriate percentage of the relevant salary grade but not at the mid-point. In exercising the discretionary authority in the case of Professional staff, The Head of Secretariat can award a percentage lower than the mid-point of the same salary band but not the mid-point or above the mid- point</b>	The new review clearly outlines the role the PIDC Chair has when it comes to the appointment of the HoS.
	35.2 Salary on appointment must be negotiated and agreed to prior to a contract being signed.	35.2 Salary on appointment <b>can</b> be negotiated and agreed to prior to a contract being signed. <b>The negotiation should be guided by an employee satisfying all the essential competencies to perform the job satisfactory as well as providing evidence of the last 5 years work achievements together with related Supervisor's appraisals.</b> <b>At the completion of the 90 days probationary period, an employee's employment status is confirmed subject to satisfactory performance and the process does not warrant an increase in salary.</b>	The new policy clearly indicates the salary banding that the HOS can use when recruiting Professional staff. It also justify the reason why the HoS recruit a professional staff at a certain band on the salary scale

Document	Article/Section Employee regulation document	Recommended text insertion	Comments
	35.3 There is no entitlement to automatic increment advances.	35.3 Under no circumstances will PIDC employees be entitled to automatic increment advances. Grant of an increment or increments can only be effective when an employee having conducted an annual performance appraisal has achieved satisfactory standard.	The revised policy details the reason why an employee receives an increment annually. Note that this is different from 34.7 which refers to the inflation adjustment
	<b>New Insertion</b>	35.6 For all employees, a simple execution of the performance increments, and provided that 4 points equates to 5% and 3 point equates to 2.5% while 2 points equates to 1%. The Board reserves the discretion to grant a half point or equivalent of 1% increment to an employee who achieves an Effective rating. Satisfactory performance for all employees is recommended as follows: <div>Superior - 4 points or 5% of base salary</div> <div>Highly effective - 3 point or 2.5% of base salary</div> <div>- Effective - 2 half point or 1% of base salary</div>	The new regulation clearly indicates the steps to be taken when doing performance appraisal for each employee annually which was not clear in the current employee regulation.
	36.2 In the event of overpayment for any reason, the PIDC reserves the right to make deductions from subsequent salary payment to recover the overpayment	In the event of overpayment <b>of salaries, allowances, DSA or any other entitlements, the PIDC reserves the</b> right to make deductions from subsequent salary payments to recover the overpayment	The new recommended text includes not only the salary but other allowances like DSA and other entitlements for all staff.
	<b>New Insertion</b>	38.2 In the case of HoS, The Chair will deal with the case in accordance with the processes in 38.1 and the Chair will sanction any unauthorised absence of the HoS.	The new insertion is to include the HoS which was not in the current regulation.

Document	Article/Section Employee regulation document	Recommended text insertion	Comments
	The maximum amount payable is the minimum legal requirement for an employer contribution in the Independent State of Samoa (currently 7% of base salary) provided the employee matches or exceeds that contribution.	38.3 The maximum amount payable is the minimum legal requirement for an employer contribution in the Independent State of Samoa (currently <b>9% of base salary and will increase to 10% effective 01 July 2021</b> ) provided the employee matches or exceeds that contribution.	The revised changes to reflect the current changes in the current increase in contribution to 9% as well as 10 % which will be effective in July 2021.
	<b>New insertion</b>	38.4 All additional non- financial entitlements (allowances, insurances, transport, phone, leaves, training etc) as part an employee's employment shall be stipulated in the employee's contract of employment.	The new regulation reflects the non-financial entitlements.
	<b>New Insertion</b> <b>Reporting &amp; Monitoring</b>	38.5 The reporting & Monitoring of Remuneration and Performances involve everyone from Secretariat employees, Immediate Supervisors, HoS, HR Committee and Board Chair. The timelines, person(s) involved, activity and outputs are <b>defined in schedule 9: Remuneration and Performance Process Review</b>	The new policy includes the monitoring & reporting purpose which was not included in the current regulation.
	<b>New Insertion</b>	38.6The Remuneration Policy should be reviewed regularly as stated in the policy, every three years as is the common practice amongst CROP and NON CROP agencies. This takes into account the average inflation rate for 3 financial years.	It clearly outlines how often the policy should be reviewed to benchmark with other CROP agencies.
		38.7 For future reviews it must include benchmarking against best practice, organisation that have some functional similarities to PIDC, survey of employees attitudes, exit interviews, trends in	

Document	Article/Section Employee regulation document	Recommended text insertion	Comments
		labour turnover, reviews by external consultants and observation of recruitment challenges.	
		38.8 The Board has the discretion to introduce changes where it sees fit to improve remuneration and performance processes.	The Board at the end of the day has the final decision for any changes.
	Schedule 8 Timetable of the Performance & Development Cycle	Summary of the Remuneration and Performance review processes	The new timetable clearly outlines how the remunerations and performance processes should be followed annually each year for performance appraisal and budget allocation.

### **Schedule 8 : Summary of Remuneration and Performance review processes**

No	Timelines	Responsible person/party	Task/Activity	Output
<b>2.9.1 Performance Assessment Process</b>				
<b>a1</b>	June – Late July preceding year	HoS and employees	Discuss and sign off on next FY deliverables and outputs	New annual performance agreement is documented
<b>a2</b>	June – Late July preceding year	HoS and Chair, HRC	HoS discuss and sign off on next FY deliverables and outputs <ul style="list-style-type: none"> <li>HRC review proposed Agreement and recommend for Chair to endorse.</li> <li>Chair endorses</li> </ul>	New annual performance agreement for HoS is documented

<b>a3</b>	July preceding year	HoS, Deputy and Finance & Corporate Manager	Prioritise training needs using employee's self-evaluation form HR Form 2	Approve professional development activities and costing and same is included in the new budget
<b>a4</b>	Early to 5 July	Individual employee	Conduct annual performance assessment  a) Form 1  b) Form 2	Complete appraisal and submit to Immediate Supervisor.  Staff Performance Assessment Form  Staff Development Form
<b>a5</b>	Early July	Immediate Supervisor and employee	Complete consultation on performance appraisal	Employees' annual performance appraisals refer to HoS
<b>a6</b>	Mid July	HoS and two Professional staff	Conclude dialogue regarding their annual performance appraisals	HoS submits his report to the HR Committee as and when required.
<b>a7</b>	Mid July	HoS and HR Committee	Complete discussion regarding HoS annual performance assessment  a) Form 1 b) Form 2 c) Form 3	HoS submits annual performance assessment to the Board Chair for initial discussion.  Once discussions completed, HoS Assessment provided to the HRC for comment.  <ul style="list-style-type: none"> <li>• Staff Performance Assessment Form</li> <li>• Staff Self-Assessment Evaluation form</li> <li>• Consolidated Annual Work Plan</li> </ul>
<b>a8</b>	Mid July	HR Committee	Reviews HoS appraisals and prepares its comments	HR Committee submits comments to Board through Board Chair  Chair and Board endorse
<b>a9</b>	Late July	HoS and employees	Sign off on next FY deliverables and outputs	New annual performance agreement is documented

<b>a10</b>	Late July	HoS and Chair, HRC	HoS discuss and sign off on next FY deliverables and outputs <ul style="list-style-type: none"> <li>HRC review proposed Agreement and recommend for Chair to endorse.</li> <li>Chair endorses</li> </ul>	New annual performance agreement for HoS is documented
<b>a11</b>	Late July	HoS, Deputy and Finance & Corporate Service Manager	Prioritise training needs using employees self-evaluation HR Form 2	Approve professional development activities and costing and same is included in the new budget

## 2.9.2 Performance related increments

<b>b1</b>	Early July	Immediate Supervisors and employees	Commence the consultation and discussion on performance appraisal	Annual performance appraisal is completed and referred to HoS (Steps a4 – a5)
<b>b2</b>	Mid July	HoS and HR Committee	Confirm assessment of each employees annual appraisal and recommend the rating	HoS report is referred to the HR Committee (Step a6)
<b>b3</b>	Mid July	HR Committee	Deliberate on employees' performance appraisal and the HoS consolidated report in CAWP achievements	Prepare its report based on the employees' annual appraisals and the consolidated report. Sign off on staff ratings (Step a6)
<b>b4</b>	Late July	HR Committee	Submit its report to Board chair.	Chair oversight responsibility (Steps a7 & a8)
<b>b5</b>	Late July	HoS and HR Committee	Complete discussion regarding HoS annual performance assessment a) Form 1 b) Form 2 c) Form 3	HoS submits annual performance assessment to the Board Chair for initial discussion.  Once discussions completed, HoS Assessment provided to the HRC for comment. <ul style="list-style-type: none"> <li>Staff Performance Assessment Form 1</li> <li>Staff Self-Assessment Evaluation form 2</li> <li>Consolidated Annual Work Plan- Form 3</li> </ul>



<b>b6</b>				<b>(Step a7)</b>
	Late July	Board chair and HoS	Chair discusses any issue or clarification with HoS	Chair finalises her assessment and sign off on ratings (Step a8)
	Mid July	Board Chair	Chair circulates her final assessment to Board Members and HoS	Board resolution on percentage for annual performance and actual costing. Insert text regarding formula and simplify the process) <b>(Step a8)</b>
<b>b8</b>	Late July	HoS and Finance & Corporate Service Manager	Execute payment of increments based on Board resolution	Employees are paid their annual performance related increments

### 2.9.3 Financial Management Process

<b>c1</b>	June each year	HoS and FCSM	Provide an appropriation for annual performance appraisal in the next budget	Funding is set aside for payment of staff performance related increments
<b>c2</b>	June	Board and HoS, DHoS and Finance & Corporate Service Manager	Budget for next financial year is deliberated on and approved	CAWP supports Strategic Plan and priority work sanctioned by the Board
<b>c3</b>	June	HoS and his team	Prioritise professional development programmes and provision is provided in the budget	Most critical skills gap of each employees is identified and given priority funding
<b>c4</b>	Annually	HoS & FCSM	FYs 2019-2020, 2020-2021 and 2021-2022 documents and tracks Samoa's inflation rate and prepare a briefing for the Board	Develop a new Salary Scale after 3 years using the average inflation rate of 3 years
<b>c5</b>	Early July 2022	HoS & FCSM	Finance & Corporate Service Manager develops a new Salary Scale and discusses with HoS	Prepare a presentation to the Board for its endorsement if inflation is more than 2.5%
<b>c6</b>	Mid July 2022	Board	Approves the new Salary Scale and changes to employees salary	A new Salary Scale to guide the next three years July 2022- June 2025 is made know to employees

<b>c7</b>	End of July 2022	HoS and Corporate Service Manager	Execute Board decision on employees adjustment in salary	Ensure financial provision is provided for inflation every three years
<b>c8</b>	End of July 2022	HoS and all employees	HoS and F&CSM take the lead in informing staff of the new Salary Scale and their new salary rates	Staff know their entitlements in view of the Remuneration and Performance Policy

**Schedule One – Revised Salary Scales for PIDC effective 2019 taking into account the 3.2 % inflation rate for the past 3 years.**

Staff Category	Grade	Currency	Base Salary								
			80%	85%	90%	95%	Mid-point	105%	110%	115%	120%
Professional Employee  positions advertised internationally	14	SDR	55,174	58,622	62,069	63,485	<b>68,968</b>	71,154	75,337	79,518	82,371
	13		47,167	50,115	53,062	56,007	<b>58,960</b>	62,645	66,329	70,010	72,521
	12		41,144	43,716	46,286	48,855	<b>51,430</b>	54,644	57,857	61,068	63,259
	11		35,642	37,870	40,096	42,322	<b>44,980</b>	47,791	50,601	53,410	55,325
	10		29,583	31,432	33,280	35,127	<b>36,980</b>	39,291	41,602	43,910	45,485
	9		26,221	27,860	29,498	31,135	<b>32,776</b>	34,825	36,872	38,919	40,314
	8		23,448	24,914	26,378	27,842	<b>29,310</b>	31,142	32,973	34,803	36,051
Support Employee  (positions advertised locally)	7	WST	33,116	35,186	37,255	39,322	<b>41,395</b>	43,982	46,568	49,153	50,916
	6		27,305	29,012	30,717	32,422	<b>34,344</b>	36,264	38,397	40,527	41,981
	5		22,563	23,973	25,383	26,792	<b>28,203</b>	29,966	31,728	33,488	34,690
	4		18,242	19,382	20,522	21,661	<b>22,803</b>	24,228	25,653	27,076	28,048
	3		15,527	16,497	17,467	18,437	<b>19,409</b>	20,622	21,835	23,046	23,873
	2		14,224	15,113	16,002	16,890	<b>17,780</b>	18,891	20,002	21,112	21,869
	1		13,074	13,891	14,708	15,524	<b>16,343</b>	17,364	18,385	19,406	20,102

