

**CHUKA**



**UNIVERSITY**

**STAFF REWARDS AND SANCTIONS FRAMEWORK**

**MAY 2015**

## TABLE OF CONTENTS

TABLE OF CONTENTS.....	2
FOREWORD .....	3
ACRONYMS .....	5
EXECUTIVE SUMMARY .....	6
CHAPTER ONE: INTRODUCTION.....	7
1.1 Background.....	7
1.2 Statement of the Problem .....	8
1.3 Rationale for the Framework .....	9
1.4 Objectives of the Framework.....	9
CHAPTER TWO: SITUATION ANALYSIS .....	11
2.0 Introduction .....	11
2.1. Current Rewards and Sanctions.....	11
CHAPTER THREE: REWARDS AND SANCTIONS .....	19
3.1 Introduction.....	19
3.2 Guiding Principles for Rewards and Sanctions.....	19
CHAPTER FOUR: INSTITUTIONAL ARRANGEMENTS FOR IMPLEMENTATION OF REWARDS AND SANCTIONS FRAMEWORK.....	27
4.1 Introduction.....	27
4.2 Institutional Arrangement for the Implementation of Rewards and Sanctions Scheme .....	27
4.2.1 Human Resource Management Committee .....	27
4.2.2 Division of Administration, Planning and Development .....	27
4.2.3 University Performance Management Committee (UPMC).....	28
4.2.3.1 Functions of the University Performance Management Committee (UPMC).....	28
5.0 Monitoring and Evaluation of Performance .....	30

## FOREWORD

Chuka University Management has been firmly committed to providing efficient and effective service delivery to the **customer**. To actualize this commitment, strong emphasis has been placed on productivity and performance improvement.

The fundamental role of the **University employees** is to translate University policies into programmes and activities that result in improved **quality service delivery**. A high-performing and effective employees is, therefore, an essential tool for the University's and the country's socio-economic development.

To ensure that the **University employees** operates in an efficient and effective manner, the University Management has over the years institutionalized performance management systems such as Performance Appraisal and Performance Contracting which have been implemented as stand - alone strategies. The non - integrated approach on performance management has failed to address issues of measurement of performance, linkage of the various systems, recognition of exemplary performance, sanctioning of poor performance, and implementation of rewards and sanctions.

A key element in performance management is the rewarding of exemplary performance and sanctioning of poor performance within a framework that also supports the objective to attract, nurture and retain qualified and highly productive staff. It is against this background that a Rewards and Sanctions Framework in the Chuka University Service has been developed with the objective of rewarding exemplary performance while sanctioning poor performance. Hitherto, rewards and sanctions framework have existed across Chuka University and implemented **in** different ways without a unified and coordinated framework. A Performance Management System puts into sharp focus the performance of an individual employee and the subsequent contribution to institutional performance in achieving intended results.

This Rewards and Sanctions Framework for Chuka University creates a centralized framework with a clear criteria for rewarding exemplary performance and sanctioning poor performance. In so doing, institutional arrangements have been put in place to administer rewards and sanctions for the Chuka University staff.

The Framework further details the circumstances under which recognition initiatives may be applied for employees who perform exceptionally well and therefore warrant special recognition. It is envisaged that successful implementation of the Framework will serve to encourage excellence, recognize meritocracy, and address the issue of poor performance.

Beyond any doubt, the human resource remains a core factor in performance improvement and delivery of services needed to achieve institutional and national development goals.

The rewards and sanctions strategies outlined in this Framework are meant to provide comprehensive financial and non financial rewards to attract, nurture, develop and retain the best employees in Chuka University. The main objective is to ensure high levels of

staff motivation on a sustainable basis, encourage excellence, meritocracy and address poor performance.

I wish, therefore, to recognize University employees who continue to strive for excellence in the noble duty of **servicing our students and other stakeholders**.

**Prof. E. N. NJOKA, Ph.D.,**  
**Vice-Chancellor/CEO**  
**Chuka University**

## ACRONYMS

CEO	-	Chief Executive Officer
HE	-	His Excellency
HR	-	Human Resource
MDAs	-	Ministries Departments and Agencies
MSPS	-	Ministry of State for Public Service
PAS	-	Performance Appraisal System
PC	-	Performance Contract
PMS	-	Performance Management System
R(A&P)	-	Registrar (A&P)
SMART	-	Specific Measurable Achievable Realistic Timely
SWOT	-	Strengths Weaknesses Opportunities Threats

## **EXECUTIVE SUMMARY**

This Framework provides a guide on the implementation of rewards and sanctions that will help the University Management in institutionalizing performance management in Chuka University.

The rationale of the Rewards and Sanctions Framework is to establish a basis for rewarding exemplary performance and administering sanctions for poor performance, motivate employees to have positive attitude to work and to enhance productivity in Chuka University. This will also create linkages between institutional and individual performance.

The overall goal of the Framework is to establish an integrated approach to boost performance and ultimately the productivity of Chuka University. The objectives will be to: establish a basis for rewarding exemplary performance; sanction poor performance; link rewards and sanctions to measurable performance; harmonize the rewards and sanctions applicable to holders of the public offices; motivate University staff for improved productivity; encourage competitiveness in service delivery; promote innovation and creativity in service delivery; promote integrity and transparency in human resource management; and link Performance Appraisal to Performance evaluation results.

In developing this Framework, a participatory process was followed that entailed consultations with all key actors and relevant stakeholders. The exercise also involved review of relevant literature and reference to international best practices on rewards and sanctions.

The Framework creates a centralized system with clear criteria for rewarding excellent performance and sanctioning poor performance in Chuka University Service. It is envisaged that successful implementation of the framework will serve to encourage excellence, recognize meritocracy, and address the issue of poor performance for a high performing Chuka University workforce.

## CHAPTER ONE: INTRODUCTION

### 1.1 Background

The key role of the Chuka University Management is to translate University policies into programmes and activities that result in improved quality of education and better life for Kenyans.

Over the years, the Government of Kenya has been engaged in various approaches to public sector reforms necessary for the achievement of national goals and priorities. To ensure that the Public Service operates in an efficient and effective manner, the Government has institutionalized performance management systems that are capable of not only holding managers of public offices accountable but also be able to demonstrate tangible results to the citizens.

Currently, various components of performance management system in the University are implemented as stand-alone systems. These systems include Performance Contracting (PC) and Performance Appraisal System (PAS) which have largely been without corresponding rewards and sanctions.

A Performance Management System (PMS) is a systematic process for getting better results from an organization, teams and individuals by managing performance within an agreed framework of planned goals, objectives and standards. A PMS is a set of tools, processes and actions that allows for maximization of the performance of employees and institutions.

PMS also provides employees with a clear understanding of job expectations; regular feedback about performance; advice and steps for improving performance; rewards for good performance; and sanctions for poor performance. The overall goal of a PMS is to help boost employee performance and ultimately the achievement of intended results for the organization.

Chuka University strategic plan should be broken into manageable and measurable activities cascaded down to individual employee level. Mechanisms for ensuring accountability for results at institutional, team and individual levels should be an in-built feature of the PMS framework. In addition, tools and mechanisms for monitoring and measuring performance results should be established.

The purpose of an integrated PMS is to attract, retain and motivate employees. To ensure that the PMS is effective and that it engenders the desired behaviour, it is important to ensure that the rewards and strategies are linked to or based on performance. Rewarding performance should be an ongoing managerial activity and not just an annual pay-linked ritual.

For the PMS to have the desired impact, all the components of PMS should be integrated. Whereas the PC and PAS are in place and operational, the Chuka University lacks a comprehensive rewards and sanctions framework with clear standards and criteria for rewarding exemplary performance, administering sanctions for poor performance, motivating staff and enhancing timely service delivery to citizens.

## **1.2 Statement of the Problem**

Whereas the University Management has put in place various initiatives for rewarding and sanctioning performance in Chuka University, there lacks a comprehensive framework that is based on the extent to which an individual employee contributes to the performance of the institution.

The non integrated approach to the current performance management system does not comprehensively address issues of measurement of performance, recognition of exemplary performance, sanctioning of poor performance and implementation of rewards and sanctions.

The various Rewards and Sanctions initiatives have been implemented in an ad hoc and piecemeal manner across the University. Where implementation has been undertaken, there has been lack of uniformity and linkage with performance contracting system.

In some instances, promotion for exemplary performance has been awarded on individual requests, while sanctions have never been implemented. All sanctions provided in PAS are discipline related which makes it difficult to implement. Some departments have not been able to measure and evaluate performance through the Performance Contract. In addition, the PAS in its current form has several attributes relating to values and competencies that cannot be objectively measured and rated and yet they are important for overall assessment of an individual employee.

It is also important to note that there is no centralized institutional Framework to oversee the various Rewards and Sanctions. Currently, initiatives such as Performance Contracting are managed by the Directorate of Quality Assurance and Performance Contracting, PAS by the Division of Administration, Planning and Development.

The absence of a harmonized framework for administration of a Rewards and Sanctions Framework 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 well and therefore warrant special recognition. A key challenge has been the inability to measure and evaluate individual performance in a manner that is credible and objectively acceptable.

In view of the highlighted weaknesses, the current initiatives have not fully realized the intended purpose, hence the need to harmonize all initiatives and to develop a comprehensive Rewards and Sanctions Framework for Chuka University.

### **1.3 Rationale for the Framework**

The rationale of the Rewards and Sanctions Framework is to establish a basis for rewarding exemplary performance and administering sanctions for poor performance, motivate employees to have a positive attitude to work with a view of enhancing productivity in Chuka University.

An effective Rewards and Sanctions Framework will expand visibility of high potential employees across departments and enhance leadership growth, improve motivation and employee productivity.

A comprehensive Rewards and Sanctions Framework comprising financial and non financial rewards should be implemented to ensure high levels of staff motivation on a sustainable basis. A Framework should be designed in such a way as to encourage excellence, recognize meritocracy, address poor performance, attract, nurture and retain high performing staff.

### **1.4 Objectives of the Framework**

The overall goal of a comprehensive rewards and sanctions framework is to boost performance and ultimately the productivity of Chuka University.

The specific objectives of the Rewards and Sanctions Framework are to:

- (i) Establish a basis for rewarding exemplary performance;
- (ii) Sanction poor performance;
- (iii) Link rewards and sanctions to measurable performance;
- (iv) Harmonize the rewards and sanctions applicable to holders of the public offices;
- (v) Motivate University staff for improved productivity;
- (vi) Encourage competitiveness in service delivery;
- (vii) Promote innovation and creativity in service delivery;
- (viii) Promote integrity and transparency in Human Resource Management; and

(xi) Link Performance Appraisal to Performance evaluation results.

### **Scope of the Framework**

The Framework will be applicable to all Chuka University employees serving in main campus and campuses..

## **CHAPTER TWO: SITUATION ANALYSIS**

### **2.0 Introduction**

The need to recognize and reward exemplary performance of Public Officers dates back to the 1970's and 1980's. The Ndegwa Commission (1970- 1971), the Waruhiu Report (1979 -1980) and the Ramtu Report (1985) identified the need for introduction of performance evaluation and creation of a Performance Award Scheme as a means of rewarding and improving performance and addressing the challenge of low employee morale in the Public Service.

Specifically, the Waruhiu Committee Report emphasized the importance of performance evaluation through performance appraisal and the need to award annual increment on salary based on individual performance. The Ramtu Committee Report on the other hand recommended creation of a merit award scheme linked to outstanding performance on the basis of an effective Performance Appraisal System.

### **2.1. Current Rewards and Sanctions**

Several initiatives have been developed and implemented to reward exemplary performance and sanction poor performance in Chuka University. Other initiatives have been proposed and are under consideration. These, among others, include:

- (i) Framework for Administering Incentives and Sanctions in Chuka University under Performance Contracting;
- (ii) Performance Appraisal System(PAS);
- (iii) Letters of Commendation;
- (iv) Promotions and Demotions;
- (v) Long Service Awards; and
- (vi) High Achievers Scheme

#### **2.1.1 Framework for Administering Incentives and Sanctions in the Public Service under Performance Contracting**

The objective of the proposed Rewards and Sanctions Framework under performance contracting is to reward and sanction institutions, managers and employees. Successful implementation of performance contracts is predicated on three key sub-systems that include Performance Information; Performance Evaluation; and Performance Incentives and Sanctions.

The Performance Incentives and Sanctions System links Rewards and Sanctions with measurable performance. The objective is to ensure clear linkages between the results of evaluation and the incentives and sanctions system for sustained tangible performance.

It is notable that Performance Information and Evaluation Systems are now in place and have registered tremendous success. However, Performance Incentives and Sanctions system has been sparingly implemented.

The objectives of implementing an incentives and sanctions system within the Framework of performance contracting are to:

- (i) Establish a basis for rewarding exemplary performance and administering sanctions for non-performance;
- (ii) Encourage competition in service delivery in Chuka University;
- (iii) Motivate Chuka University managers to benchmark performance with best practices globally and to surpass them; and
- (iv) Harmonize the incentives and sanctions applicable to holders of public office.

The Rewards and Sanctions under Performance Contracting were proposed to be administered as follows:

1. Managerial and employee performance – a monthly bonus based on basic salary. A 13<sup>th</sup> month basic salary graduated as per the individual composite score awarded to all the employees who achieve “Excellent” and “Very Good” performance.
2. For Principal Secretaries/Accounting Officers–“Excellent” and “Very Good” performance -renewal of contract (where applicable)
3. Other employees below the level of VC/Accounting Officers
  - (i) Merit promotion – those with composite score of 1.00 - 2.40 (“Excellent”), in line with the requirements of the schemes of service.
  - (ii) Letter/certificate of commendation – those with composite score of 2.40 – 3.0 (“Very Good”).
4. The administration of sanctions for Agency Performance were proposed as follows:
  - (i) “Fair” performance cautionary letter by the Vice- Chancellor
  - (ii) “Poor” performance -censure letter by The Vice-Chancellor

For all other cadre of employees below the level of Deputy Vice-Chancellors, the following was proposed:

### **Good Performance**

1<sup>st</sup> year – cautionary letter

2<sup>nd</sup> year – warning letter

3<sup>rd</sup> year – separation

### **Fair Performance**

1<sup>st</sup> year – warning letter

2<sup>nd</sup> year – demotion

3<sup>rd</sup> year – separation

### **Poor Performance**

1<sup>st</sup> year – Separation

Faculties/Directorates/Departments that achieve "Fair" performance, the Deans/Directors/CODs and HODs to receive a cautionary letter from the Vice-Chancellor.

Faculties/Directorates /Departments that achieve "Poor" performance, the Deans/Directors/CODs and HODs to be relieved of their duties.

## **2.1.2 Performance Appraisal System (PAS)**

Performance Appraisal is a systematic way of planning, reviewing and assessing the performance of an employee during a specified period of time based on agreed performance targets. PAS is a tool to measure, improve and recognize the performance of the employee.

The objectives of PAS are to:

- (i) Align individual performance with organizational performance;
- (ii) Enhance implementation of performance management, with clear checks and balances and appropriate interventions;
- (iii) Improve accountability for results, continuous learning, training and development, information management and monitoring and evaluation;
- (iv) Link operational and financial performance targets with budgetary provisions;
- (v) Facilitate officers to measure and report on performance, improve on the same and develop their skills in line with the current and future expectations of the job;

- (vi) Facilitate cascading of departmental objectives and targets to individual employees for implementation;
- (vii) Enhance continuous learning at both individual and organizational levels while promoting equity and fairness in the workplace;
- (viii) Nurture and develop communication between Supervisors and Appraisees for improved service delivery.

Rewards and Sanctions under the Performance Appraisal System are administered as follows:

- |                   |   |                                       |
|-------------------|---|---------------------------------------|
| (i) 'Excellent'   | - | bonus reward of one month's salary    |
| (ii) 'Poor'       | - | 1st year - cautionary letter          |
|                   | - | 2 <sup>nd</sup> year - warning letter |
|                   | - | 3 <sup>rd</sup> year - separation     |
| (iii) 'Very poor' | - | 1st year - warning letter             |
|                   | - | 2nd year - separation                 |

### **2.1.3 Institutional Honours and Awards**

The Vice-Chancellor should be mandated by Council to confer Honours and Awards in the name of the University. In undertaking this function, the Vice-Chancellor should be supported by a University Committee on Honours and Awards. The University Committee is in turn supported by a Secretariat whose functions are to receive nominations, ensure conformity to the eligibility rules and subsequently submit the edited lists to the University Committee. The Secretariat also liaises with Faculties, Directorates and Departments, of the University that are the source of citations and nominations for the Honours and Awards. It is acknowledged that conferment of Honours and Awards has the potential to improve service delivery by individuals.

### **2.1.4 Letters of Commendation by Authorized Officers**

A letter of commendation is given to an employees who, in the exercise of assigned duties distinguishes himself or herself in performance that contributes to increased output and institutional efficiency. In some cases, an employee may be issued a letter of commendation in addition to other rewards.

Issuance of letters of commendation is not common in Chuka University. Moreover, such letters have had no significant impact in performance management. In developing a comprehensive Rewards and Sanctions Framework, there is need to determine, and clearly communicate, the place for letters of commendation Framework.

Due care will need to be taken to infuse objectivity, acceptability, and standards in issuance of letters of commendation for purposes of rewards and sanctions. There is, therefore, need to develop guidelines to guide Authorized Officers during the administration of letters of commendation.

### **2.1.5 Promotions and Demotions**

Promotion is the conferment upon a person of an office with a higher salary or higher salary scale than that attached to the office to which the person was last substantively appointed. Promotion serves to recognize a job well done; retain and reward employees; increase individual and organizational effectiveness; promote a sense of job satisfaction; build loyalty, morale and a sense of belonging for the employee; and to impress upon others that opportunities are open to all employees.

On the other hand, demotion is movement of an employee from one job grade to a lower job grade. Demotion also means that an employee is reassigned a position with a salary range that is lower than the salary range of his or her former position.

### **2.1.6 Long Service Awards**

This is an award issued to members of support staff upon completion of fifteen (15) to twenty five (25) year exemplary service. The award in form of a certificate is personally signed by the Vice-Chancellor.

### **2.1.7 High Achievers Scheme**

The objectives of the high achievers scheme are to:

- (i) Develop a critical mass of highly skilled, motivated and qualified employees required to nurture a culture of excellence in service delivery;
- (ii) Ensure that potential high performers in Chuka University do not become demotivated;
- (iii) Ensure superior management or ethics through deliberate effort to improve quality and output of Chuka University.

## **2.2 SWOT Analysis of the Existing Rewards and Sanctions Strategies**

Implementation of the existing Rewards and Sanctions Framework has registered some success and challenges. A detailed analysis of the Strengths, Weaknesses, Opportunities and Threats (SWOT) provides the leverage needed to develop and implement a comprehensive Rewards and Sanctions Framework.

### **Strengths**

- (i) Top leadership commitment.
- (ii) Existing institutional performance management system.
- (iii) Commitment to performance management.
- (iv) Institutional capacity to implement performance management system.
- (v) Highly trained and skilled personnel.
- (vi) Existence of Information Management Systems.

### **Weaknesses**

- (ii) Inadequate linkage and integration between planning, resource allocation and results.
- (iii) Lack of linkage and integration between institutional and individual performance.
- (iv) Lack of an operational comprehensive system for rewards and sanctions.
- (v) Weak monitoring and evaluation of performance management.
- (vi) Inadequate communication and dissemination of PMS.
- (vii) Inadequate participation in identification and ownership of institutional performance targets.
- (viii) Problems in setting SMART performance targets.
  - (ix) Inadequate appraisal skills.
  - (x) Inadequate understanding and appreciation of PMS.
  - (xi) Insufficient participation and ownership of the institutional strategic plans.
  - (xii) Lack of work planning.
  - (xiii) Target setting process is not adequately participatory and consultative.  
Targets are not adequately aligned to strategic plans and Kenya Vision 2030.
  - (xiv) Lack of understanding and appreciation of PAS.



## **Opportunities**

- (i) Political goodwill.
- (ii) Improved productivity and accountability.
- (iii) Ability to translate employer's strategic goals into individual employee's goals.
- (iv) Potential to enhance morale and job satisfaction.
- (v) Proper deployment of staff.
- (vi) Public demand for accountability and results.
- (vii) Prudent utilization of resources.

## **Threats**

- (i) Negative perception by employees on PMS.
- (ii) Resistance to change.
- (iii) Inadequate funding to facilitate implementation of rewards.
- (iv) High customer expectations.

### **2.3 Best Practices in the Administration of the Rewards and Sanctions**

Review of the current practices globally indicates that Rewards and Sanctions are implemented in both public and private organizations to recognize and reward exemplary performance and to sanction poor performance. The main purpose of implementing rewards and sanctions is to improve productivity and to enhance service delivery.

Pre-requisites for successful implementation of Rewards and Sanctions include:

- (i) Mechanisms to establish expected performance levels by employees;
- (ii) Effective communication on rewards and sanctions to employees;
- (iii) Creation of systems to inculcate the culture of performance;
- (iv) Assessment of motivation of key players as well as balance between financial and non financial motivation at organizational, team or individual levels;
- (v) Linkage of the incentives to performance measures which lead to the desired (long-term) outcomes in a predictable way;
- (vi) Cost effectiveness of the rewards and sanctions;
- (vii) Safeguards to ensure accountability and transparency;
- (viii) Data systems for collection and analysis of timely and reliable performance data.
- (ix) Expertise to apply rewards and sanctions in a timely, consistent and transparent manner; and
- (x) Monitoring and evaluation mechanism to review the effectiveness of the rewards and sanctions.

## CHAPTER THREE: REWARDS AND SANCTIONS

### 3.1 Introduction

This chapter outlines various Rewards and Sanctions. It is envisaged that successful implementation of these rewards and sanctions will improve service delivery, motivate University staff and reward exemplary performance while sanctioning poor performance.

Application of rewards and sanctions at the managerial and employee levels will be based on the extent of managers' and employees' contribution to the institutional performance. This means that evaluation of the institution performance and individual employee performance should be explicitly linked. In this case, there should be mutually reinforcing monitoring and evaluation mechanisms.

### 3.2 Guiding Principles for Rewards and Sanctions

A highly effective and productive Chuka University reward system requires proactive human resource management and development policies and strategies to attract, nurture, develop and retain high performing employees. The objective is to ensure high levels of staff motivation on a sustainable basis, encourage excellence, discourage mediocrity and address poor performance.

The implementation of Rewards and Sanctions Framework will be guided by the following principles:

- (i) **Performance Standards:** Guidelines for setting realistic and measurable standards of performance and for supporting employees to achieve the standards set should be established;
- (ii) **Fairness:** The administration of Rewards and Sanctions should be consistent, prompt, impartial, and reasonable and applied without discrimination;
- (iii) **Natural justice:** Administration of sanctions should be guided by the principles of natural justice;
- (iv) **Equal opportunities:** Equal opportunities should be availed to all employees;
- (v) **Timeliness:** Application of rewards and sanction should be done in a timely manner in accordance with existing regulations;
- (vi) **Right of appeal:** An employee should have a right of appeal against unsatisfactory sanction or reward;
- (vii) **Effective Communication mechanisms:** To ensure provision of regular feedback on employees' performance;
- (viii) **Coaching and mentoring:** Mechanisms should be put in place to mentor and coach employees for performance improvement; and
- (ix) **Professionalism:** Uphold professional ethics and standards.

### 3.3 Levels of Application of Rewards and Sanctions

Performance rewards and sanctions will be applicable in two levels namely:

- (i) institutional performance – performance of a public University; and
- (ii) Managerial and employee performance – performance of a manager or employee of the University.

The Rewards and Sanctions Framework will be applicable to the following:

- (i) All cadres of employees serving in Chuka University.

### **3.3.1 Rewards for exemplary performance**

#### **Agency Rewards**

- (i) Institutional Certificate of Recognition for "Excellent" and "Very Good" performance signed by the Vice-Chancellor.

#### **Managerial and employee rewards for "Excellent" and "Very Good" performance**

- (i) Promotions
- (ii) Bonus payment graduated as per individual composite score.
- (iii) Institutional Honours and Awards.
- (iv) Letters of commendation.
- (v) Distinguished long service awards.
- (vi) Paid vacations.
- (vii) Roll of honour.
- (viii) Employee of the year award.
- (ix) Contract renewal.

### **3.3.2 Sanctions for poor performance**

The sanctions under this Framework are purely for poor performance. However, the policy recognizes that poor performance may sometimes be attributed to exogenous factors. In addition, disciplinary related sanctions will be administered according to the laid down disciplinary procedures. The sanctions include:

#### **Agency Sanctions**

- (i) Institutional cautionary letter by The Vice-Chancellor for "Good" performance.
- (ii) Institutional censure letter by The Vice-Chancellor for "Fair" or "Poor" performance.

#### **Managerial and Employee Sanctions**

- (i) Caution for "Good" performance.
- (ii) Warning for "Fair" performance.
- (iii) Separation and Non - renewal of service or employment contract for "Poor" performance

### 3.4 Application of Rewards and Sanctions

#### 3.4.1 Agency Performance

The rewards for institution performance will be administered in accordance with the performance contracting guidelines.

The table below explains the expected level of achievement, performance rating and expected rewards and sanctions for University Management.

**Table I: Agency Performance**

<b>Achievement of Performance Targets</b>	<b>Performance Grade</b>	<b>Performance Level</b>	<b>Reward/Sanction</b>
Achievement $\geq$ 30% above the agreed performance target.	Excellent	130% - 200%	Floating Trophy and Certificate of Recognition signed by the Vice-Chancellor
Achievement of the agreed performance target up to 130% of the target.	Very Good	100% - 130%	Certificate of Recognition signed by the Vice-Chancellor
Achievement between 70% and 100% of the agreed performance target.	Good	70% - 100%	Cautionary letter by the Vice-Chancellor
Achievement between 50% and 70% of the agreed performance target.	Fair	50% - 70%	Censure letter by the Vice-Chancellor
Achievement between 0% and 50% of the agreed performance target.	Poor	0 - 50%	Censure letter by the Vice-Chancellor

### 3.4.2 Managerial and Employee Performance

A financial bonus based on basic salary will be awarded for exemplary performance. A 13<sup>th</sup> month basic salary will be awarded based on individual performance and respective contribution to institutional performance based on individual composite score for "Excellent" performance.

The table below indicates the expected level of achievement, performance rating and expected rewards and sanctions for Managers and Employees.

Achievement of Performance Targets	Performance Grade	Performance Level	Reward/Sanction
Achievement $\geq$ 30% above the agreed performance target.	Excellent	130% - 200%	13 <sup>th</sup> month salary based on graduated composite score for "Excellent" performance and Roll of honour
Achievement of the agreed performance target up to 130% of the target.	Very Good	100% - 130%	Letter of commendation
Achievement between 70% and 100% of the agreed performance target.	Good	70% - 100%	1 <sup>st</sup> year - cautionary letter 2 <sup>nd</sup> year - warning letter 3 <sup>rd</sup> year - separation
Achievement between 50% and 70% of the agreed performance target.	Fair	50% - 70%	1 <sup>st</sup> year – warning letter 2 <sup>nd</sup> year - reprimand 3 <sup>rd</sup> year - separation
Achievement between 0% and 50% of the agreed performance target.	Poor	0 - 50%	year - reprimand year - separation

### 3.4.3 Institutional Honours and Awards

The award of University Honours and Awards is in recognition of exemplary performance in service delivery and positive contribution to the wellbeing of society.

**The following criteria shall be considered in the conferment of Awards:**

- (i) Unique and exemplary service to the University.
- (ii) Innovation that has significant impact on service delivery and enhances the quality of life of the citizens.
- (iii) Public participation in the nomination of recipients of the awards.

**NB:** The Honours and Awards may be recalled if the beneficiary compromises the integrity of the Award.

**3.4.4 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.

**3.4.5 Promotions**

Promotions are a major incentive for hard work and better performance.

The promotion criteria shall include:

- (i) Merit, equity, aptitude and suitability;
- (ii) Prescribed qualifications for holding or acting in the office;
- (iii) Contribution to the efficiency of the University service;
- (iv) The provable experience and demonstrable milestones attained by the employee;
- (v) Integrity of the employee; and
- (vi) The standards, values and principles set out in Articles 10, 27 (4), and 232 (1) of the Constitution.

**3.4.6 Long Service Awards**

This will be awarded to an employee who has had demonstrable non-interrupted exemplary contribution to the organizations' performance for a minimum period of 15 years.

**3.4.7. Paid Vacations**

Paid vacations will be granted to employees who have made significant contribution to service delivery in their respective areas besides attaining excellent or very good performance.

**3.4.8. Roll of Honour for Exemplary Performance**

Names of employees who demonstrate exemplary performance will be published in the Roll of Honour annually.



### **3.4.9. Employee of the Year Award**

Chuka University will identify employees who demonstrate exemplary performance during the year and reward them using a criteria set out by the University Awards Committee.

### **3.4.10. Contract Renewal**

Contract renewals will be based on performance subject to the employee's terms and conditions of service.

## **3.5 Administration of Sanctions**

The sanctions under this Framework are purely for poor performance. Disciplinary related sanctions will be administered according to the laid down disciplinary procedures. The sanctions are:

### **3.5.1 Departmental Performance**

The sanctions for the agency will be administered in accordance with the performance contracting guidelines.

In the case of agency performance that attracts sanctions, the following will be applied:

- (i) A cautionary letter by the Vice-Chancellor to Faculties/Directorates and Departments whose performance falls under "Good".
- (ii) A Censure letter by the Vice-Chancellor to Faculties/Directorates and Departments whose performance falls under "Fair" or "Poor".

#### **3.5.1.1. Institutional Cautionary Letter**

The Deans/Directors and heads of Faculties/Directorates and Departments whose performance falls under "Good" with a score of 70%-100% will be issued with a cautionary letter by the Vice-Chancellor.

#### **3.5.1.2 Institutional Censure Letter**

The Deans/Directors and heads of Faculties/Directorates and Departments whose performance falls under "Fair" or "Poor" with a score of 50% - 70% and 0% - 50% respectively will be issued with a censure letter by the Vice-Chancellor.

#### **3.5.1.3 Managerial and Employee Performance**

In the case of managerial performance that attracts sanctions, the following will be applied:

For Deputy Vice-Chancellors/Accounting Officers whose performance is "Fair" or "Poor", employment contract/tenure will be terminated.

For all other cadre of employees below the level of Deputy Vice-Chancellors /Accounting Officers, the following will be applied:

**“Good” Performance**

1<sup>st</sup> year - Cautionary letter

2<sup>nd</sup> year –Warning letter

3<sup>rd</sup> year – Separation

**“Fair” Performance**

1<sup>st</sup> year -Warning letter

2<sup>nd</sup> year-Reprimand

3<sup>rd</sup> year -Separation

**“Poor” performance**

1<sup>st</sup> year - Reprimand

2<sup>nd</sup> year - Separation

## **CHAPTER FOUR: INSTITUTIONAL ARRANGEMENTS FOR IMPLEMENTATION OF REWARDS AND SANCTIONS FRAMEWORK**

### **4.1 Introduction**

The critical role of the institutional arrangement in implementation of rewards and sanctions is to ensure compliance with the framework; monitor impact; and make reviews where necessary. To ensure that rewards and sanctions are administered effectively, an integrated performance management system is necessary.

Currently, the different components of Performance Management System are Performance Contracting and Performance Appraisal System coordinated by the Directorate of Performance Contracting and Human Resource Management in the Division of Administration, Planning and Development. However, the policy recommends that the rewards and sanctions system in respect of University staff be administered by the Human Resource Management Committee of Council.

The institutional arrangement for implementation of the Rewards and Sanctions Framework will be administered by the Division of Administration, Planning and Development, Directorate of Quality Assurance and Performance Contracting;

### **4.2 Institutional Arrangement for the Implementation of Rewards and Sanctions Scheme**

#### **4.2.1 Human Resource Management Committee**

The Human Resource Management Committee of Council will be responsible for the administration of the rewards and sanctions policy, approve and issue the Framework and subsequent guidelines and recommend review as and when necessary. The Committee will also handle cases of appeals after employees have exhausted all review mechanisms under this Framework.

#### **4.2.2 Division of Administration, Planning and Development**

The Division responsible for Human Resource will perform the following functions:

- (i) Co-ordinate implementation of rewards and sanctions policy in Chuka University;
- (ii) Liaise with the University Council for funding; and
- (iii) Monitor, evaluate and report on the implementation of the Rewards and Sanctions Framework.

### **4.2.3 University Performance Management Committee (UPMC)**

The Vice-Chancellor will appoint the University Performance Management Committee whose membership will be as follows:

- (i) DVC (AFP&D)-Chairperson
- (ii) DVC (ARSA)-Member
- (iii) Two Senate representatives.
- (iv) Finance officer
- (v) Director, Quality Assurance and Performance Contracting
- (vi) CU Staff union rep-concerned
- (vii) Registrar (A&P) – Secretary
- (viii) .

#### **4.2.3.1 Functions of the University Performance Management Committee (UPMC)**

The functions of the Committee shall be as follows:

- (i) Ensure that the integrity and credibility of the overall process of rewards and sanction system is safeguarded and maintained at all times;
- (ii) Ensure that the overall assessment of employee performance is within the context of institutional performance as evaluated through staff Performance Appraisal System;
- (iii) Ensure linkage between Institutional Performance and individual performance;
- (iv) Hold quarterly performance review meetings;
- (v) Ensure that the performance of all officers is evaluated and feedback on performance is relayed in writing at the end of the year;
- (vi) Make recommendations to the Vice-Chancellor on the application of rewards or sanctions;
- (vii) Review cases of appeals on appraisal ratings between supervisors and appraisees;
- (viii) Consider performance reports from various departments within the University and make recommendations for improvement; and
- (ix) Develop and implement the internal monitoring and evaluation and reporting system.

#### **4.2.3.2 Rules of Conduct for the University Performance Management**

##### **Committee**

- (i) Members of the Performance Management Committee shall be expected to perform their duties with diligence, integrity, impartiality and confidentiality.
- (ii) In the event that there is disagreement between the supervisor and appraisee on assessment of performance, the Second Supervisor's comments will be considered by the Committee in making a recommendation to the Vice-Chancellor.
- (iii) Members of the Performance Management Committee will not discuss or make recommendations in respect of their own performance reports. The Registrar (A&P)

shall complete the performance appraisal reports for the members of the Committee and make appropriate recommendations to the Vice-Chancellor.

## **5.0 Monitoring and Evaluation of Performance**

The overall objective of carrying out monitoring and evaluation is to ascertain the extent to which the implementation of rewards and sanctions positively contributes to improved performance at institutional and individual levels. Monitoring and Evaluation will also provide critical information on extent to which the Framework shall be able to identify and reward good performance; identify and sanction poor performance by individuals and institutions; and identification of individual contribution to institutional performance.

Monitoring and evaluation will serve to capture the lessons learnt in the implementation of the rewards and sanctions framework with a view to ensuring sustainability in recognizing and rewarding excellent performance while sanctioning poor performance.

A key source for data and information for the monitoring and evaluation of the rewards and sanctions framework shall be the individual and departmental performance evaluation instruments. The reporting mechanisms and continuous feedback will be undertaken through the institutional framework provided in this policy. The University Performance Management Committee will co-ordinate the implementation of the Policy and recommend relevant action to the University Management.