

KINGDOM OF CAMBODIA
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**Standard Operating Procedures for the Assessment
and Payment of
Performance Based Salary Incentives (PBSI)
for NCHADS Staff**



National Centre for HIV/AIDS, Dermatology and STD

August 2007

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1. Introduction

1.1 Performance Based Salary Incentives to Date

Following a DFID-commissioned review of salary supplementation in December 2001, DFID agreed to provide performance-based salary incentives to NCHADS staff as part of its support for the national response to HIV/AIDS. This followed from experience of an earlier scheme piloted under the ADB/JFPR:REG-9006 Project. Other donors have since joined the scheme. The introduction of the salary supplementation took into account the general shortage of skilled personnel and the need to retain and motivate such staff in the public health sector so as to drive the national response to HIV/AIDS. The value that such a scheme could have in stimulating wider improvements in management practice was also a powerful reason for its adoption

From the start, the scheme has been underpinned by a functional task analysis process which was initiated in 2001, updated in 2003 and 2005 and revised again in August 2007.⁽¹⁾ This has led to the ever improving definition of the roles and responsibilities of staff and to a systematic approach to structural revisions within the Centre. In turn these advances have played a major part in improving the overall management performance within NCHADS.

The original version of this manual was first produced in 2003. Since then the manual has been slightly revised and up-dated during the second half of 2004. Now, in 2007, the mechanics of the scheme set out in the 2004 manual remain unaltered, but there have been some adjustments to the introductory section which brings the text up to date and which looks briefly to the future. Additionally, the document has now evolved from the original DFID related manual into a Standard Operating Procedure (SOP) that takes account of the diversity of funding for the scheme. Other alterations take account of the development of a complementary SOP⁽²⁾ which sets out procedures for PBSI payments at provincial and operational district levels. In their early stages, these were dealt with in the 2004 version of this manual, but now merit their own document. (See also paragraph 7 below.)

1.2 Performance Based Salary Incentives in the Future

The PBSI scheme has been significant in the contribution it has made to the development of the capacity of NCHADS as a management unit. This has now been verified by independent assessment,⁽³⁾ but it is also self evident in the proactive approach to programme management which it has adopted. Even so, the NCHADS (HQ) PBSI scheme to date is fully dependent on donor monies, making it very susceptible to future changes in individual donor funding commitments. NCHADS is well aware of the negative consequences of any disruption to PBSI payments and is currently considering its strategic response to this potential threat to the continuation of the scheme.

Additionally, as the programme manager rather than service provider, NCHADS recognises the operational need to expand HIV/AIDS and STD service delivery through provincial and operational district channels rather than through separate specialist services. This integration is highly desirable on clinical grounds, but it is bringing new organisational challenges. These include the development of incentive payment systems that encourage staff to perform better across the whole range of their duties and not just in the one area of work for which they get PBSIs. An example of the latter occurs when staff, such as laboratory technicians, receive PBSIs funded through NCHADS for HIV/AIDS related activities, but do not do likewise for the other tasks that they perform.

One potential solution to this issue may come from the new merit based pay system now being developed by the MoH which, in the longer term, may be extended to provincial and

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operational district staff. If this happens it could address the imbalances outlined above. Any new approach is likely to take a considerable time to introduce, but NCHADS is looking forward to the possibility of early involvement in discussions about such a scheme and to contributing its experience of the management of PBSIs to any preparatory process.

The issues mentioned above are not for resolution as part of the review of this SOP or the associated functional task analysis. However, they have surfaced in discussion as concerns requiring speedy consideration if the momentum and evolution of the NCHADS directed programme are to be maintained. Given the importance of reward systems to the implementation of this change process, there appears to be a fairly urgent need for some integrated analysis of the matters identified here and for consequential decisions to be taken that ensure the continuation of the currently successful response to HIV/AIDS and the promotion of further progress in the future.

3. Purpose of this Standard Operating Procedure

The PBSI scheme is supported with funds from various sources which are managed by NCHADS within the Ministry of Health, as part of the National Programme to respond to HIV/AIDS. Specifically, the scheme is designed to:

- counter the general shortage of skilled personnel by better recruitment and retention
- motivate staff so as to drive the national response to HIV/AIDS
- stimulate wider improvements in management practice.

This SOP sets out the procedures for managing the scheme so as to ensure that, to the greatest extent possible, it achieves these objectives. In doing so it provides clarity about the arrangements including bringing transparency, accountability, efficiency and consistency to the scheme.

4. PBSI Procedures in NCHADS

4.1. Establishing Eligibility and Participation

As part of the Annual Planning Workshop to develop the NCHADS Comprehensive Annual Work Plan, the Technical Bureau and the Administration and Finance Bureau of NCHADS will:

- With all units and HIV/AIDS Management Team (HAMTs) in all provinces, review the list of staff in place in each unit and determine the number of staff eligible for PBSI for the year.
- With all staff, review the job descriptions, performance tasks, verifiable indicators, assessments and rates for PBSI, as laid out in this SOP and the Functional Task Analysis of NCHADS.
- With all staff, review these Performance Assessment Procedures, the composition and functioning of the Performance Assessment Board, and the procedure for managing grievances.
- Allocate available budget for PBSI to units and provincial staff to determine coverage by PBSI.
- Arrange for all participating staff members to sign an Agreement to Perform Work (APW) for the coming year.

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Eligibility: All staff who are present in a position, with an approved job description, within an approved unit of NCHADS, based upon the Functional Task Analysis of NCHADS and who are not already receiving any other salary supplementation.

Participation: All eligible staff may participate in the PBSI scheme. Should a staff member not wish to participate, he/she may 'opt out'. Such a staff member will continue to function as member of the unit, but his/her performance will not be included in the assessment of the unit's performance, and he/she will not receive any incentive. All staff who wish to participate in the system, and are eligible, are required to sign an Agreement to Perform Work. (APW)

Coverage: Since available funds allocated for PBSI are limited, and may vary from year to year as NCHADS budget receives new funds, or completes projects, choices have to be made about how many staff in various units and provinces can be covered, based upon the targets and priorities of the Annual Work Plan. This may result in the inclusion of additional staff, or the exclusion of previously participating staff, as circumstances change from year to year. The rates paid as a reward for performance may also vary.

Agreement to Perform Work (APW): This agreement is made on the appropriate form through the joint signatures of the staff member and the Director, NCHADS. The relevant job description for the post, unit terms of reference, levels of incentive payment and copies of this SOP are appended to and form part of the APW document. (See Annex 2).

4.2 Unit Performance Assessment

Under this PBSI system, performance is judged by unit, not by individual performance, though each staff member in the unit contributes to and participates in the process. At the end of each quarter, each Unit prepares a report of their unit's performance against the verifiable indicators, and submits this, as their Unit Performance Assessment, to the Performance Assessment Board. This must be submitted within 21 days of the end of each quarter. Assessments submitted after 21 days will not be considered, and no incentives will be paid to that unit. This method has been adopted to encourage units to constantly review their own performance, and be aware of what they have achieved by having to make their own assessment.

4.3 Performance Assessment Board

The Performance Assessment Board (PAB) is made up of the Heads of the Technical Bureau and Administration and Finance Bureau, the Chief of the Finance Unit, and the Director of NCHADS as Chair. The Board reviews all Unit Performance Assessments and approves or changes them and forwards them to the Finance Unit for payment.

4.4 Payment of Incentives

Incentives are paid quarterly for performance in the previous quarter. Once the Finance Unit receives the approved Unit Performance Assessments, incentives will normally be paid within the next 10 days. Budgets for PBSI payments are included in NCHADS' Annual and Quarterly Work Plans and Budgets.

4.5 Managing Grievances

If any staff member or unit is dissatisfied with the assessment rating of his/her unit's performance approved by the Performance Assessment Board, he/she may appeal in writing to the Chair of the PAB (see paragraph 4.3) setting out their grounds for dissatisfaction. The appeal should be made through the Administration Unit within 21 days of the original

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decision of the PAB. The Chairperson will consult all the other members of the PAB and may call for additional information. After this the PAB Chairperson will rule on the appeal. The decision of the Chairperson will be final.

5. Assessment of Performance

5.1 Tasks

A set of tasks is identified for all units, based upon the Functional Task Analysis (FTA), against which the units' performance is assessed. These Tasks are selected to identify the essential, measurable and transparent functions each unit must perform in operational terms and are drawn from the prior experience of the ADB/JFPR REG-9006 Project. They reflect the overall task responsibility of the unit, drawn from the Units' Terms of Reference⁽¹⁾ and general responsibilities assigned to it. Annex 1 gives detailed tables of Tasks and Verifiable Indicators.

5.2 Verifiable Indicators

A set of verifiable indicators is identified which specifies levels of performance for each performance task. The indicators are then scored on the following basis: 'High' performance scores 3 points, 'Satisfactory' performance scores 2 points, 'Low' performance scores 1 point and 'Inadequate' performance scores 0 points. Each indicator is scored, and the total points awarded are divided by the number of indicators used to arrive at an average score. Annex 1 gives detailed tables of Performance Tasks and Verifiable Indicators.

5.3 Rates

A 'Schedule of Indicative Base Rates' for PBSI within NCHADS are approved annually and may vary from time to time, depending upon the sources and availability of funds. NCHADS is working to achieve consistency and comparability between rates as far as possible, given the stance of respective donors. Approved rates for successive years are published and available separately for the information of all staff.

Rates paid against performance scores are:

Scoring Scale	Performance Rank	Percentage of rate paid
2.5 to 3 points	High	100%
2 to 2.5 points	Satisfactory	70%
1.5 to 2 points	Low	40%
Less than 1.5 points	Inadequate	0%

6. Performance Assessment for Senior Management

6.1 Agreements to Perform Work

Each senior manager participating in the scheme will sign an APW which will be countersigned by the Director of NCHADS or the Secretary of State overseeing NCHADS.

6.2 Assessment Process

Assessing Senior Management performance is the task of the Director of NCHADS and the Secretary of State responsible for overseeing NCHADS or in his absence another senior Board member.

6.3 Assessment Indicators

The Director, Deputy Director(s), and the Heads of Bureau, make a Performance Assessment of the overall management of NCHADS every half year against the following performance tasks/indicators and will set out their conclusions in a report.

- Progress on the NCHADS Comprehensive Annual Work Plan.
- Regular monthly Technical Meetings held and minuted.
- Regular Coordination Meetings with partners held and minuted.
- Strategic or other significant initiatives taken in the six months under review.
- Overall managerial and administrative effectiveness of NCHADS.
- Overall Financial management effectiveness, to include any Audits Reports.

No absolute quantitative measures are suggested for these but, to the extent possible, Senior Management will specify the level of performance achieved against these indicators in their twice yearly Senior Management Performance Assessment Report.

6.4 Approval of Payments

Incentive payments for senior staff will depend on the overall performance of NCHADS as set out in the twice yearly Senior Management Performance Assessment Report.(SMPAR)

The SMPAR for the preceding two quarters will be submitted to the Secretary of State with responsibility for the oversight of NCHADS by 31st of January and 31st July each year together with a statement of the senior staff payments being sought for the same period using the four percentage levels set out in paragraph 5.3 above. The Secretary of State will consider the report and approve, modify or reject the proposed payments, notifying the Director of NCHADS of his decision in writing. If necessary, the Secretary of State may call for additional information to assist in making his decision.

The Director NCHADS may make representations on behalf of senior staff if they dispute the approved level of payments. The Secretary of State will consider any representations and consult with others as he thinks appropriate before making a decision which will be final.

7. PBSI at provincial and operational district level

The need to stimulate performance in the provinces and operational districts has led to the extension of PBSI payments to a strictly limited number of provincial health management staff and to a substantial number of carers providing STI and HIV/AIDS treatment and support. The arrangements for these PBSI payments at provincial and operational district level, including the job descriptions and method of PBSI evaluation, were most recently reviewed and restated in December 2006 following an internal assessment. These latest provincial arrangements are now set out in a separate SOP.⁽²⁾

8. Review and up-date

The aims of the PBSI system, summarised at paragraph 3, also bring the benefit of greater institutional stability and cohesion within the NCHADS Programme. It is recognised however, that the response to HIV/AIDS has to be ever changing to meet emerging epidemiological, institutional and socio-economic situations. This means that organisational arrangements within NCHADS cannot remain static and they too must be constantly adapted to meet new situations. The following elements of this PBSI system will thus be reviewed every one to two years as required:

- The NCHADS Functional Task Analysis, including job descriptions and posts.
- Performance Tasks and Verifiable Indicators.
- Procedures for managing the system.

Recommendations for changes or continuation will be made to the Ministry of Health.

9. References

- (1) Functional Task Analysis, NCHADS, August 2007
- (2) Standard Operating Procedures for the Performance Based Salary Incentive Scheme at Provincial Level. NCHADS, December 2006
- (3) Report on Performance Based Salary Incentives to Government Staff Working on HIV/AIDS Programmes in Cambodia. Sue Viney. Monitoring and Advisory Team, October 2006

10. Authorising Signatures

Date 31/08/2007

APPROVED BY



DR MEAN CHHI VUN
DIRECTOR

National Centre for HIV/AIDS, Dermatology and STD

ANNEX 1

PERFORMANCE TASK & VERIFIABLE INDICATOR TABLES

1. NCHADS Technical Units

<i>Performance Tasks</i>	<i>Verifiable Indicators</i>
1. Ensure that Monthly and Quarterly Work Plans are prepared and submitted to TB for approval	<ul style="list-style-type: none"> • 4 Work Plans (3 Monthly and 1 Quarterly) submitted = 3 • 1 Plan missed = 2 • 2 Plans missed = 1 • More than 2 plans missed = 0
2. Ensure the timely conduct of activities as specified in approved Work Plans	<ul style="list-style-type: none"> • 80% or more of planned activities take place = 3 • 50-80% of planned activities take place = 2 • 30-50% of planned activities take place = 1 • <30% of planned activities take place = 0
3. Supervision visits conducted as planned	<ul style="list-style-type: none"> • 80% planned supervision visits made per quarter = 3 • 50-80% planned supervision visit made per quarter = 2 • 30-50% planned supervision visits made per quarter = 1 • <30% planned supervision visits made per quarter = 0
4. Ensuring the Monthly Reports are prepared and submitted to NCHADS	<ul style="list-style-type: none"> • 3 Monthly reports submitted = 3 • 2 Monthly reports submitted = 2 • 1 Monthly reports submitted = 1 • No Monthly reports submitted = 0
5. Technical Coordination Meetings held and minutes submitted to TB	<ul style="list-style-type: none"> • Minutes of 3 or more coordination meetings with partners submitted = 3 • Minutes of 2 coordination meetings with partners submitted = 2 • Minutes of 1 coordination meeting with partners submitted = 1 • No minutes of coordination meetings submitted
	Total/5 = Performance Grade rounded up

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2. NCHADS Administration

<i>Performance Tasks</i>	<i>Verifiable Indicators</i>
1. Prepare semi-annual, monthly and quarterly reports for MoH	<ul style="list-style-type: none"> • 4 Reports (1 quarterly and 3 monthly) submitted = 3 • 1 Reports missed = 2 • 2 Reports missed = 1 • 3 Reports missed = 0
2. Control correspondence and documentation	<ul style="list-style-type: none"> • All files maintained up to date = 3 • 80% files maintained up to date = 2 • 50-80% files maintained up to date = 1 • < 50% files maintained up to date = 0
3. Maintain inventory of all equipment accounted for and in good working condition up-to-date	<ul style="list-style-type: none"> • Inventory up-to-date and in good order = 3 • Items of equipment damaged and not repaired or missing less than 1 month = 2 • Items of equipment damaged and not repaired or missing more 1- 2 months = 1 • Items of equipment damaged and not repaired or missing more than 3 months = 0
4. Ensure adequate control of communications (telephone, fax, e-mail, post, etc)	<ul style="list-style-type: none"> • Communications bill within budget = 3 • Communications within 110% of budget = 2 • Communications 110-150% of budget = 1 • Communications bill >150% of budget = 0
5. Ensure proper use of office supplies	<ul style="list-style-type: none"> • Office supplies bill within budget = 3 • Office supplies within 110% of budget = 2 • Office supplies 110-150% of budget = 1 • Office supplies bill >150% of budget = 0
6. Maintain all vehicles maintained, and ensure up-to-date service and log-books	<ul style="list-style-type: none"> • All vehicles maintained, serviced, log-books up-to-date = 3 • Some vehicles due for service, or log-books not up-dated less than 1 month = 2 • Some vehicles due for service, or log-books not up-dated 1-3 months = 1 • Some vehicles due for service, or log-books not up-dated > 3 months = 0
7. Maintain records of distribution of materials, supplies, etc	<ul style="list-style-type: none"> • All records of distribution of materials, supplies, etc up-to-date = 3 • All records of distribution of materials, supplies, etc not up-to-date less than 1 month = 2 • All records of distribution of materials, supplies, etc not up-to-date 1-3 months = 1 • All records of distribution of materials, supplies, etc not up-to-date > 3 months = 0
	Total/7 = Performance Grade rounded up

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3. NCHADS Finance Unit

<i>Performance Tasks</i>	<i>Verifiable Indicators</i>
1. Reconcile all advances as laid down in SOP	<ul style="list-style-type: none"> • All advances reconciled according to SOP = 3 • 2 advances outstanding = 2 • 3 advances outstanding = 1 • > 3 advances outstanding = 0
2. Maintain up-to-date Projects Accounts	<ul style="list-style-type: none"> • Accounts maintained well, as judged by Chief of Finance's supervision = 3 • 50% Accounts maintained well, as judged by Chief of Finance's supervision = 2 • Accounts maintained not very well, as judged by Chief of Finance's supervision = 1 • Accounts not or badly maintained, as judged by Chief of Finance's supervision = 0
3. Maintain cash book registers	<ul style="list-style-type: none"> • Cash book register updated 3 times per quarter = 3 • Cash book register updated 1-2 times per quarter = 2 • Cash book register not updated during the quarter = 1 • Cash book register not updated 4 months = 0
4. Prepare monthly Financial and Accounting Reports	<ul style="list-style-type: none"> • 3 monthly Reports submitted per quarter = 3 • 2 monthly Reports submitted per quarter = 2 • 1 monthly Reports submitted per quarter = 1 • No monthly reports submitted = 0
	Total/4 = Performance Grade rounded up

Annex 2

APW FORMAT

Agreement to Perform Work (APW)

Between the National Centre for HIV/AIDS, Dermatology and STD/

Ministry of Health

and Mr/Ms/Dr.(Full name)*

Concerning the implementation of HIV/AIDS programme activities in NCHADS

By signing this APW the above named member of staff* agrees as follows:

1. **Duties:** To perform his/her duties in the capacity of
..... in accordance with the attached Job Description (See Annex 1.) and Bureau/Unit terms of reference. (See Annex 2.).
2. **Term:** To undertake the tasks specified at 1 above from/...../.....
to/...../.....inclusive.
3. **Performance assessment:** To be subject to performance monitoring and assessment in accordance with the attached NCHADS Standard Operating Procedure (SOP) for the Assessment and Payment of Performance Based Salary Incentives (PBSIs) (Annex 3)
4. **PBSI participation:** To receive incentive payments calculated in accordance with the assessment process detailed in the SOP specified at 3 above.

Note:

- Payment for performance incentives will be made on a quarterly basis from funds allocated under the Annual Work Plan.
 - Rates of incentive payment are subject to variation. Current rates applicable under this APW are attached at Annex 4.
5. **Other payments:** To not receive any additional incentive or supplementary payment from any source, other than the NCHADS PBSI scheme, for the tasks and duties described at 1 above for the duration of this APW.
 6. **Other conditions:** To accept and abide by the following additional conditions.

6.1 **Variation:** If circumstances occur which, in the judgement of NCHADS/MoH, make it necessary to modify any part of this APW then they may do so subject to giving the member of staff signing this APW reasonable notice in writing. Without guarantee of the length of notice, this will normally be no less than four weeks before any change takes effect.

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6.2 Withdrawal: The member of staff signing this APW may withdraw from the agreement at any time after giving reasonable notice which should normally be no less than four weeks before taking effect.

6.3 Termination: NCHADS/MoH without prejudice to any other remedy for breach of APW, by written notice of default sent to the member of staff signing this APW, may terminate this APW in whole or in part if he/she, in the judgement of NCHADS/MoH:

- (a) has failed to perform any obligations under this APW
- (b) has engaged in corrupt or fraudulent practices in executing this APW or any activity connected with the functioning of NCHADS.
- (c) has behaved in any way which is grossly inappropriate to their post or duties.

6.4 Dispute: Any difference or dispute arising out of this APW, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the laws of the Royal Government of Cambodia.

The annexes to this Agreement to Perform Work form part of the agreement and should be read in conjunction with it.

Signed:.....(Staff member)

Name of staff member.....

Date...../...../.....

Approved and authorised by:

Signed..... (NCHADS/MoH signatory)

Name.....

Position.....

Date...../...../.....

Stamp

CC.