Staff Manual

Subject: *Human Resources*

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1 Staff Structure

Note: See appendix for organizational structure.

Grade	Category
Grade 5	Senior Management
Grade 4	Management
Grade 3	Senior Executives
Grade 2	Executives
Grade 1	Facilitators

2 Preamble

Initiative Development - Ghana (ID-Ghana) envisions a world in which the poor are able to develop their own income-generating activities in order to reach better standards of nutrition, health and education. ID-Ghana is a non-governmental, non-profit, development organization with poverty reduction as its main goal.

ID-Ghana's mission is "to create a dynamic financial, entrepreneurial and social development organization which provides economic opportunities to people living in urban deprived communities". It is the belief of ID-Ghana that the poor can be productive and can work to attain a higher standard of living if they are supported to take initiatives in developing their own small businesses. ID-Ghana is therefore committed to giving credit and savings facilities as well as business training, social training and social services to the urban poor to help them improve their living conditions.

The people who translate this commitment into practical reality are the staff of ID-Ghana. This manual outlines the terms and conditions that ID-Ghana offers its staff.

3 Recruitment

3.1 Recruitment

Recruitment is open to all qualified individuals regardless of sex, religion or ethnic background. We apply the principle of equal opportunity to all. Vacancies for core positions are advertised both internally and externally to allow all interested qualified persons to apply.

Short-listed candidates write a selection test where appropriate and attend an interview, leading to the selection of the most suitable candidate for the position.

3.2 Appointment

The successful candidate is issued with an appointment letter and contract of employment signed by both the head of ID-Ghana and the candidate. These spell out the terms and conditions of employment, and include information such as

- Job description
- Remuneration and benefits

3.3 Orientation

Within the first two weeks of assuming duty, the new employee must go through a standard and comprehensive orientation which covers the following topics:

- History of ID-Ghana
- Vision, mission and structure of ID-Ghana
- Introduction to Microfinance
- Credit policy/credit cycle
- Social mission
- Human resource/administrative policy
- Familiarization with the branches/structures and staff of ID-Ghana

3.4 Probation

The new employee is required to serve a probation period as follows:

- 6 months for management staff (renewable once)
- 3 months for other staff (renewable once)

While on probation, adaptability to the working environment, job performance and conduct are assessed. The new employee is given the opportunity to raise issues affecting his/her work with his/her supervisor or line manager.

Where an employee is found to be unsuitable during probation, his/her appointment is terminated. On the other hand, if the employee successfully goes through probation, his/her appointment is confirmed.

During the probation period, either party may terminate the employment by giving the other party two weeks' written notice in the case of Management staff, and one week's written notice for other staff.

An employee on probation earns leave but cannot take it during the probation period.

3.5 Employee Data

Every new employee is required to complete the Employee Data form during the first week of work. A copy of the form is found as an appendix of this manual. Any time that there is a change in the information provided on the form, a new form must be completed.

3.6 Hours of Work

ID-Ghana runs a forty-hour working week. Work starts at 8.00 am and closes at 5.00 pm, with a one-hour lunch break. A staff, especially Management staff, is however expected to put in more time when the need arises.

3.7 Duties of Employee

By accepting appointment from ID-Ghana, the employee undertakes to

1. Respect the fundamental status of ID-Ghana as a non-governmental, non-religious,

non-political and non-profit organization.

2. Carry out diligently all lawful duties assigned by ID-Ghana
3. Abide by the general rules and regulations of ID-Ghana as well as the specific rules and regulations governing his/her sphere of responsibility.
4. Protect the interests of ID-Ghana

4 Salary & Benefits

4.1 Salary structure

4.1.1 General policy

As much as possible, in setting salary levels, account is taken of the need for internal equity and external competitiveness. Consideration is also given to the need to reward good performance and to provide incentive for even better performance. **The bottom line however is the Institutional ability to pay.**

There is a fixed component and a variable or incentive component of salary. The fixed component is the **Basic salary**, **T&T allowance** and the variable component is the **monthly result bonus**.

Other deductions such as Staff Loan Repayment, Provident Loan Deduction, Welfare Deduction, and External Loan Deduction, which are components of the Payroll are deductions made at the discretion of the employee

4.1.2 Monthly Result Bonus

A monthly bonus is calculated for field staff based on the quality of their portfolios, specifically the four indicators of case load, repayment rate, portfolio at risk and retention rate. The formula for calculating the bonus is as follows:

BONUS CALCULATION FOR FIELD STAFF – JULY 2010

ID GHANA BONUS SYSTEM								
Repayment rate in % - Onipa Nua								**Maximum**
Basis :	**95**	:				17.50		**32.5**
	96	to	100	:	+	3.00	/ 1 %	
Repayment rate in % - Front Desk								
Basis :	**90**	:				17.50		**32.5**
	91	to	100	:	+	1.50	/ 1 %	
Case Load in number of active Partners								
Basis :	**200**	:				17.50		**27.5**
	201	to	300	:	+	0.10	/ partner	

Retention rate in %								
Basis :	**65**	:				10.50		**27.5**
	66	to	75	:	+	0.70	/ 1 %	
	76	to	85	:	+	1.00	/ 1 %	

PAR at 30 days in % - Onipa Nua								
Basis :	**5**	:				17.50		**32.5**
	4	to	2	:	+	1.20	/ 1 %	
	2	to	0	:	+	4.20	/ 1 %	

PAR at 30 days in % - Front Desk								
Basis :	**10**	:				17.50		**32.5**
	9	to	5	:	+	0.80	/ 1 %	
	4	to	0	:	+	2.20	/ 1 %	

ON/FD Methodology				
Basis :	**10**	:	10.00 1 Ghc per 1 point	**10**

Kick Start disbursements				
Basis :	**10**	:	10.00 1 Ghc per 1 point	**10**

NHIS Registration				
Basis :	**10**	:	10.00 1 Ghc per 1 point	**10**

Encoding (for branches without encoders)				
Basis :	**15**	:	15.00 Automatic 15 Ghc	**15**

Rejected forms (application, PAT) from HO			
Basis CO:	**-5**	:	-5.00
Basis BM:	**-10**		*Deduction of 5 Ghc if 1 form is rejected* *Deduction of 10 Ghc if 1 form is rejected and CR1 is incomplete*

Total	**150**

A Credit Officer has to attain **Repayment Rate of 95%** before qualifying for a Bonus.
Any Repayment Rate below 95% disqualifies a Credit Officer from receiving a Bonus.

Note: The Bonus calculation is subject to period review to meet the dynamics of the Institution.

5 Deductions from Salary

In accordance with the social security law, ID-Ghana shall deduct at source the employee's contribution of 5.5% of gross monthly salary, add a further 13% as employer's contribution and pay the total to Social Security and National Insurance Trust. Similarly, in accordance with the income tax law, ID-Ghana shall deduct at source income tax on the basis of pay-as-you-earn (PAYE) and pay same to the Internal Revenue Service.

A further deduction is made towards the provident fund. Other deductions may be made in repayment of loans and advances in accordance with ID-Ghana regulations and/or the provisions of loan contracts. Deductions in respect of loans and advances shall not exceed 45% of net monthly salary.

Note: Exceptional cases will be dealt with the consent of the Employee and management.

5.1 Salary Increase

5.1.1 Merit Increase

Merit increase of basic salary is based on annual performance appraisal. The following increases are awarded for the corresponding performance ratings:

Rating	Merit Increase of Basic Salary
5. Exceptional Performance	Determined by Union & Management
4. Advanced Performance	Determined by Union & Management
3. Competent	Determined by Union & Management
2. Needs Improvement	Determined by Union & Management
1. Needs Major Improvement	Determined by Union & Management

Merit increase in salary takes effect from 1st April of the year succeeding the appraisal year and ends on the 31st March of the following year. It is calculated on the basis of the salary of the previous year before adjustment or on the Staff Bonus.

5.1.2 Promotion

Promotion depends on the availability of a vacancy. Staff showing good performance, enthusiasm, teamwork and focus on the attainment of organisational goals are the preferred candidates for promotion. Length of service will also be considered, but will carry much less weight. The following guide will be used in promotion decisions:

Criteria	Minimum Requirement for Promotion
Performance/Length of Service	A consistent performance rating of "Competent" for 3 years. A consistent performance rating of "Advanced and/or Exceptional Performance" for 2 years.
Competencies	Display of the required competencies for the next higher level.

A panel will be constituted to examine the candidate along these criteria, and their method shall include an interview.

5.2 Other Benefits

5.2.1 Medical Allowance

The following quarterly medical allowance is paid to supplement the NHIS[1] for which staff is expected to register:

Staff's situation	Quarterly Allowance (GH¢)
Single	86.25
Married	115.00
Children	11.50 *per child*

Payment for children is subject to the submission of a valid birth certificate for each child. Where both parents of a child are ID-Ghana employees, only one parent can claim the provision for the child.

Note: Subject to frequent reviews determined by realities on the ground. Not more than 3 children under 18 years of age would be paid for.

5.2.2 Provident Fund

ID-Ghana has established an employees' provident fund to which the employee contributes 5% of gross salary monthly while ID-Ghana contributes a further 10% of gross salary monthly on behalf of the employee. The fund is managed by a Board of Trustees comprising a Chairperson nominated by Management and one representative each from the Welfare Association and the Union. Rules governing the management of the fund will be prepared by the Board of Trustees for approval by Management.

Note: Employees with the consent of the Union and Management borrow from the fund.

5.2.3 Transport Allowance

An allowance is paid to staff to cater for their transportation to-and-from work. The rate of the allowance is determinable from time to time. The current rates are as follows:

Staff category	Allowance
Senior Management staff	GH¢150 per month
Management staff	GH¢150 per month
Senior Executive	GH¢150 per month
Executives	GH¢150 per month
Facilitators	GH¢150 per month

5.2.4 Vehicle Maintenance Allowance

Employees who use their personal vehicles for ID Ghana work are paid a vehicle maintenance allowance determinable from time to time upon the submission of photo copies of the vehicle documents and a yearly submission of the Vehicle Road Worthy Certificate. The current rates are as follows:

Vehicle category	Allowance
Car	GH¢40 per month
Motorbike	GH¢20 per month
Bicycle	GH¢10 per month

[1] *ID-Ghana is bearing the cost of registration of all staffs through SNITT monthly contributions. SNITT in turn passes on part of ID-Ghana's contribution to cover NHIS registration costs.*

5.2.5 Salary Advance

Salary advance may be granted in the course of the month subject to deduction of the full amount at the end of the month. The amount may not exceed 45% of the net salary of the employee. No interest is charged on salary advance.

5.2.6 Over-time Policy

- ID-Ghana does not favour paying over-time. Managers must structure the activities within their Departments such that working hours are fully utilized before considering the need for staff to work over-time.
- The over-time policy applies to field staff only, specifically Credit Officers and Branch Managers. It applies to public holidays that fall on week days. It does not apply to weekends.
- Considering statement 1, over-time is expected to arise only occasionally. Where over-time becomes a regular necessity in order to catch up with the demands of the job, the Manager(s) concerned, Department Manager and/or Admin & HR Officer must analyse the job structure, volume of work, time usage, technical competencies of the staff involved, etc. in order to find a long term solution to the problem.
- Over-time will however be paid under circumstances adjudged by a Manager to be critical to the successful discharge of the core functions of the organization, and approved by Senior Management (Director or alternatively Deputy Director). The following requirements must be met before over-time is paid:
- Over-time must be authorized by a Manager;
- The Manager must seek approval from Senior Management before authorizing over-time at least three days in advance.
  - All staff must record their arrival and closing times to facilitate monitoring of extra hours worked.
- Activities that will receive priority approval are:

  Collection of loan repayments and

  Encoding or keying in of data that may have accumulated for some reason.

No other activity will be approved unless there is a compelling reason to do so.

- An over-time allowance equivalent to two (2) times the daily wage of the staff shall be paid to the staff for a full day's work on a public holiday. The daily wage shall be calculated as the previous month's gross salary divided by the number of working days in the same month. The payment shall be pro-rated where the employee works for part of the day only. The attendance book is to be completed where the employee works over-time.
- The maximum over-time payment in a month is one-quarter (¼) of the employee's gross salary.

5.2.7 Annual bonus

A thirteenth month salary equivalent to the employee's last average gross monthly salary is payable to all employees at the end of the year as annual bonus.

Note: A) An average gross salary will be used when the employee experiences variations in the monthly gross salary.

B) Start date of employment will be used as starting point for all new employees in determining the average gross monthly salary for the calculation of the 13th month salary

5.2.8 Death of Employee

In the event of the death of an employee where the death is not covered by the staff insurance policy, ID-Ghana shall provide for the coffin, customary drinks, transport to convey other employees to and from the funeral grounds (only if it is within Accra Metropolitan Area) and a donation equivalent to the deceased's one-month's Gross salary towards the funeral rites.

6 Performance Appraisal, Transfer, Training and Leave

6.1 Annual Performance Appraisal

There shall be annual appraisal of the employee's performance by her/his immediate supervisor. The appraisal shall be based on the following indicators as per appendix.

6.2 Transfer

Subject to the labour laws of Ghana, the employee may be transferred to any branch or department of the organization as determined by Management.

6.3 Training and Development

ID-Ghana is committed to the training and development of its staff in order to achieve optimum competence and productivity. Accordingly, a training-needs assessment is conducted from time to time and a training plan developed for implementation. The training needs assessment takes into consideration needs identified during performance appraisal, the recommendations of supervisors, succession planning, and needs brought on by transfer, promotion or new assignments, etc.

Training may be in-house or external and may include study tours.

6.4 Annual Leave

The employee earns 2 days leave a month, i.e. 24 days a year. Leave must be taken within the year in which it is earned, unless postponed or suspended in writing by ID-Ghana. For purposes of leave, ID-Ghana's year begins in January and ends in 10 December.

No employee may be granted leave while serving probation.

6.4.1 Sick Leave

The employee is allowed a permissible sick leave of One week. Management may request the employee to proceed on his/her annual leave if it is believed the sick leave is been abused.

ID-Ghana permits a period of absence from work certified by a medical practitioner due to illness.

Where the employee is not able to report back to work after this period, the employment contract shall be abrogated.

6.4.2 Public Holidays

ID-Ghana observes public holidays so designated by the laws and regulations of Ghana. Employees earn full salary during public holidays.

6.4.3 Maternity Leave

ID-Ghana grants 12 weeks paid maternity leave to a woman employee on the submission of a medical certificate issued by a medical practitioner or a midwife showing the expected date of confinement.

On resumption of duty from maternity leave, the nursing mother is allowed to interrupt her work for one hour during her working hours to nurse her baby. Alternatively, she may work through lunch break and close two hours early (at 3.00 pm until the child attains 9 months, or close at 4.30pm until the child is 1 year) to go and nurse her baby at home.

6.4.4 Compassionate Leave

ID-Ghana grants up to 5 days compassionate leave to an employee who needs to stay away from work as a result of death in the immediate family or other emergency.

Compassionate leave is only granted when the employee's annual leave has already been exhausted.

7 Discipline and Termination

7.1 Unionisation

Employees are free to belong to any trade union of their choice, or not to belong to any.

7.2 Conduct and Discipline

In the event of proven misconduct on the part of an employee, disciplinary action shall be taken against the employee. The employee will be given a chance to defend himself/herself either orally or in writing.

Where the offence is serious, as in the following cases, ID-Ghana has the discretion to dismiss the employee without paying his/her terminal benefits:

Offence	Disciplinary Action
Negligence, gross misconduct or incompetence capable of harming the interest of ID-Ghana	Summary dismissal
Absence for a cumulative period of more than 3 months in the last 12 months for any reason whatsoever	Summary dismissal/Dismissal with one month's notice

The following shall be considered as gross misconduct or acts prejudicial to the interest of ID-

Ghana:

- Any act that deserves a warning letter within the first three months of employment.
- One week's absence from work without any justification.
- Diversion of any work meant for ID-Ghana either to a third party or in the name of the employee himself/herself.
- Accepting any other paid appointment that conflicts with the employees job.
- Carrying out one's duties in an unsatisfactory manner.
- Being drunk during working hours.
- Any negligence or lapse that results in loss of money or property of ID-Ghana.
- Quarrelling, insulting or fighting at the work place.
- Any act that may harm the image of ID-Ghana.

Less serious offences shall attract any of the following sanctions at the discretion of ID-Ghana:

- Verbal warning.
- Warning letter.
- Suspension.

7.3 Disciplinary Authority

Branch Managers and Heads of Departments are authorized to issue verbal warning, warning letters, suspension or punishment as appropriate by informing the GM. Dismissals can only be carried out by the General Manager.

7.4 Grievance Procedure

Where an employee feels aggrieved over any issue, he/she may raise the matter with his/her immediate supervisor for redress. Where the employee is not satisfied with the solution at that level, he/she may take up the matter further with his/her Head of Department or the General Manager, in that order.

7.5 Termination of Employment

7.5.1 General regulations

Termination during probation is discussed under "Probation" in 3.4 above. After probation, the employee may terminate the contract by giving the employer one month's notice. The employer on his part may terminate the contract on grounds of redundancy or on disciplinary grounds by giving the employee one month's notice. In the case of summary dismissal, no notice is required from the employer.

ID-Ghana retires the employee when he/she attains the retirement age of 60 years. The employee may go on voluntary retirement at the age of 55 years if he/she has served 30 or more years with ID-Ghana.

7.5.2 Terminal Benefits

In the event of resignation or termination of employment other than through summary dis-

missal or termination during probation, ID-Ghana pays the following gratuity to the employee:

Length of Service at Termination	Gratuity
1 – 10 years	One year average gross monthly salary x number of years served.
Above 10 – 20 years	1/10th of average gross annual salary x number of years served.
Over 20 years	1½ times the average gross monthly salary x number of years served.

Length of service refers to uninterrupted service. Where service has been broken, only the last period of service before termination will be considered.

7.5.3 Redundancy Award

Where termination is through redundancy, i.e. reduction in staff numbers due to re-organization, the employee shall receive a redundancy award in addition to the gratuity. The amount of the redundancy award is subject to negotiation and the availability of Funds.

8 Amendments

This staff manual sums up the terms and conditions of employment of ID-Ghana employees. It is the responsibility of the General Manager to cause the manual to be reviewed as and when the need arises. No other person has the authority to alter, add to, or take decisions regarding terms and conditions of service.

9 Validity

This manual takes effect from 1st January, 2011.

Signed by:

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Stephen M. K. Dugbazah