



**HUMAN RESOURCE AND ADMINISTRATION POLICY
MANNUAL
FOR
MALAWI UNION OF SAVINGS AND CREDIT CORPORATIVE
(MUSCCO)**

**P.O. BOX 651
LILONGWE**

NOVEMBER 2014

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Definitions and Terms

1. **Allowance** – means monies paid over and above salary for a specific purpose.
2. **Abscondment**– means unauthorized absence from duty for a minimum period of three consecutive working days.
3. **Advance** – means funds that may be granted to employees of MUSCCO to be repaid within three months without interest.
4. **Annual Performance Increment** – means salary increment awarded to an employee at the end of the previous year based on satisfactory performance.
5. **Benefits** – means incentive that MUSCCO may, from time to time, give to staff members on joining or when attaining a certain status in MUSCCO and may include medical services, free housing or a car.

6. **Board** – means the policy making body consisting of the Directors of MUSCCO.
7. **Contract of Employment** – means a written undertaking in which MUSCCO agrees to employ specified persons on specific conditions either detailed in the undertaking or conventionally implied and the prospective employee agrees to the condition and signifies his acceptance in writing.
8. **Contract Employment** – means an employee who is on contract for a fixed period on terms and conditions as laid down in the said contract.
9. **Cost Center** – meaning a branch or a station of MUSCCO at which costs are collected and reported.
10. **Delegation of Authority** – means a process of transferring authority and creation of responsibility between superior and subordinates to accomplish a certain task by CEO.
11. **Dependants** – means one spouse and four dependent unmarried children not over the age of eighteen (18) years and twenty four (24) if at school.
12. **Director** – means a person that is the member of MUSCCO Board.
13. **Dismissal** – means termination without notice and without salary in lieu of notice of appointment of an employee on the ground of inefficiency in the performance of his duties or on grounds of repeated or serious misconduct.
14. **Due notice** – means notice given when one is resigning from employment of MUSCCO, and shall not include any period of leave.
15. **Employee** – will be a generic term used for all persons employed by MUSCCO.
16. **Earned Leave** – means leave days earned with each passing month at a fixed maximum per month.
17. **Exigencies** – means a case or situation which demands prompt action or remedy emergency or plight within MUSCCO.
18. **Fixed Establishment** – means the post designated by the Board as being on Fixed Establishment of MUSCCO and to which contract or permanent appointment has been or shall be sanctioned by the Board of Directors.
19. **Grade of Employment** – is the grade of employment as defined herein:
20. Policy Decisions in F & E

21. Programming/Senior Administration Decision in D
22. Interpretive Decisions in C
23. Defined Decisions in A - B
24. **Grievance** – is feeling of dissatisfaction, which an employee may feel about his wage, conditions of work, and treatment by his superiors and colleagues.
25. **HR Administrator**- refers to the person or persons in charge of Human Resources and Administration at MUSCCO
26. **Interdiction** – means any period whereby an employee is required to stop work due to suspicion of breach of regulation or alleged offence stipulated in the law of Malawi.
27. **Line management**- refers the person who is directly responsible for managing the work of someone else in MUSCCO with direct supervisory responsibilities over people.
28. **Leave** – means a recognized and authorized period of absence from the place of employment. Such a period of absence if authorized may be on full pay, half pay or no pay. All unauthorized absence constitute an act of misconduct and shall result in loss of pay for the period of absence.
29. **Leave days** – means days on which an employee is normally expected to be on duty, but shall exclude Saturday, Sunday and recognized public holidays.
30. **Married** – shall include a widow, widower or divorcee with dependent children who have not remarried and a person whose spouse is permanently so incapacitated.
31. **Management Committee** – the management Committee consist of the chief Executive and the heads of Department.
32. **Misconduct** – Any breach of regulations outlined at Section 9 of these Terms and condition of Service.
33. **Public Holiday** – shall have the term meaning as contained in the public Holiday act cap 18:05 of the Laws of Malawi.
34. **Senior Management** – means employees in grades M1
35. **Staff Development** – means staff acquisition of relevant knowledge and skills that will create a capacity for efficient and effective discharge of assigned functions.
36. **Staff Member** – means employees of MUSCCO other than those in management.

37. **Salary or Wage** – means the agreed fixed sum of money paid to employee as basic remuneration for a specified period of employment. The payment does not include allowances, ex-gratia payments or other benefits. The salary per month shall be 1/12 of the annual salary and the salary per day shall be 1/22 of the month rate.
38. **Temporary Employee** – an employee whose duration of employment is fixed for a period not exceeding six months.
39. **Termination** – means separation from service in accordance with the terms and conditions of Service other than inefficiency or disciplinary grounds.
40. **Redundancy** – (Also known as lay-off or retrenchment) means a situation where for organizational requirements MUSCCO is unable to sustain the employment of certain staff members.
41. **Responsible Officer Employee** – means Employee that has responsibility for supervising the work of subordinate(s).
42. **Volunteer**- refers to individuals collaborating with the organisation on an assignment of fixed duration without any kind of remuneration.

CHAPTER 1: INTRODUCTION

1.0 Background

MUSCCO is the national apex body for SACCOs in Malawi. It provides a unified position for the SACCOs to engage and influence policy formulation, promotion of dialogue among sector members on matters of mutual interests and assist in the implementation of government sector plans. MUSCCO aims to build and maintain a financially sound system of the savings and credit cooperatives to mobilize, and effectively channel savings to help meet the social and economic needs of members and MUSCCO.

1.1 Our Mission

To promote the sustainable growth and development of Financial cooperatives and their members through cost-effective inclusive programming.

1.2 Our Vision

To be a leading, self-sustaining Union of Financial cooperatives promoting financial inclusion in Malawi

1.3 Statement of Philosophy

MUSCCO wishes to maintain a work environment that fosters personal and professional growth for all employees through this human resource and administrative policy. This healthy and conducive environment will enable staff and employees to exploit and unleash their potential and talents to optimum level for the benefit and pride of MUSCCO, staff and employees, SACCO members and the nation at large. This situation will in turn permit MUSCCO to accomplish its corporate objectives and Strategic Plan.

In this respect managers and supervisors have additional responsibility to lead in exemplary manner which nurtures an environment of respect for each other. It is the responsibility of all staff and employees to:-

- i. Foster cooperation and communication among each other
- ii. Treat each other in a fair manner with dignity and respect
- iii. Promote harmony and teamwork in all relationships.
- iv. Strive for mutual understanding of standards of performance expectation and communicate continually to reinforce that understanding.
- v. Encourage and respect opinions of other staff and employees and invite their participation in decisions that affect their work and careers.
- vi. Encourage growth and development of staff and employees by helping them achieve their personal goals at MUSCCO and beyond.

- vii. Seek to avoid workplace conflict and if it occurs, respond fairly and quickly to provide the means to resolve it.
- viii. Administer all policies equitably and fairly,
- ix. Recognize that staff and employees in their personal lives may experience crises and show compassion and understanding.

1.3 Scope

- i. To promote, organize and develop SACCOS in Malawi
- ii. To build and maintain a financially sound system of the savings and credit cooperatives to mobilize and effectively channel savings to help meet the social and economic development needs of its members and the country in general
- iii. To foster the vitality of the SACCOS to become effective financial intermediaries by providing programmes and services that will embrace the SACCO's ability to successfully meet the needs and expectations of their members.
- iv. To work with other stakeholders in national and domestic savings mobilization initiative in order to bring about sustainable economic development in the country.

1.4 Human Resource and Administrative Policy

This Human Resource and Administrative Policy (HRAP) manual is a summary of policies, procedures and practices related to human resource management and development as well as administrative rules, regulations procedures and professional ethics to ensure effective management of employees, assets and resources for improved service delivery in MUSCCO.

The manual recognizes the vertical integration between HRAP and corporate strategy, the requisite to balance the needs of MUSCCO and staff and

employees. In this regard the manual shall assist MUSCCO to achieve its corporate goals through well trained, motivated, accountable and responsive employees.

The manual shall guide the Board, Chief Executive Officer (CEO), Human Resource (HR) Administrator and senior management in making decisions pertaining to human resource issues and routine administrative matters.

The manual therefore is based on the prevailing Laws of Malawi such as The Malawi Constitution (2013 Rev.), Labour Relations Act (1996) and Employment Act (2000) and human rights (Bill of Rights) and it embraces cross cutting issues such as gender, HIV and AIDS and sexual harassment, among others that affect the management of people and other resources in MUSCCO.

The CEO is accountable for leading an effective management team and employees hence he is overly accountable for the development and implementation of the policies outlined in this manual.

Heads of department and section are responsible for effective and efficient management of employees and other resources in their respective units and should reference this manual to ensure organizational consistency and avoid conflicts in the application of these policies. The HR Administrator is responsible for championing the review and making follow ups on the application of this policy to ensure their continued relevance and adaptation to changes in laws, employment practice, culture and other contextual changes. The HR Administrator shall be available to provide guidance, answer possible questions and provide clarification on any content of this manual. The HR Administrator is also responsible to coordinate the benefits package of MUSCCO including housing, utilities, medical insurance and health plan.

1.5 Application

The HRAP constitute the terms and conditions of service applicable to management and staff of MUSCCO. It forms the basis of contract of employment between MUSCCO (hereinafter referred as Employer) and employees and staff members.

Whenever the masculine gender is used in this handbook it shall include feminine gender.

The components of HRAP are grouped in chapters in the order that reflects the life cycle of a staff and employee member through and related administrative procedures.

Every section commences with a policy statement, which provides a brief introduction and definition of the component, responsible personnel and their roles in operationalizing the component.

1.6 Review and Amendments

The HRAP shall take account of dynamic changes in laws of Malawi in general and employment law and best practice in employment in particular. The policies and procedures are therefore subject to periodical reviews and amendments after every two years and when necessary with or without prior notice. The amendments shall be properly referenced, documented and communicated to all staff members and employees. All amendments will be approved by the CEO.

MUSCCO HR&A Policy

HUMAN RESOURCE POLICY

CHAPTER 2: RECRUITMENT AND APPOINTMENT

SECTION 1 RECRUITMENT POLICY

Policy Statement

MUSCCO is an equal opportunity employer and shall provide all employees equal opportunity without regard to race, ancestry, place of origin, colour, ethnic origin, language, creed, religion, gender, sex, age and marital status. The human resource and administrative policies aim to promote equal opportunities for all at MUSCCO and discourages discrimination on the basis of sex, age, religious affiliation, political affiliation, disability, HIV status, colour and place of origin.

Responsibility

Line management shall:

- i. Obtain approval to create a new position or to fill a vacancy.
- ii. Prepare job description (*please refer to position descriptions*).

- iii. Provide HR Administrator with deadline for applications, desired interview dates, selection criteria and method.
- iv. Produce short list of candidates to be **interviewed with the guidance of HR Administrator.**

HR Administrator shall:

- i. Co-ordinate the recruitment process and provide advice to line management at all stages.
- ii. Establish the function group/grade of the position (refer to Position evaluation), and provide an appropriate salary range (refer to salary structure).
- iii. Estimate the total cost of the position for budgetary purposes.
- iv. Advertise the vacancy.
- v. Perform an initial screening of candidates prior to short listing.
- vi. Acknowledge applications and submit files to the concerned line manager.
- vii. Co-ordinate interview logistics and participate in the interview process.
- viii. Acknowledge both successful and unsuccessful participants.

Procedure

1. Creation of new positions

- i. Approval to create a new position shall normally be granted in the annual budgetary process. For such purpose, the concerned line manager must submit the appropriate justification together with a comprehensive position description.
- ii. New positions should have been previously evaluated and the total salary costs (including social charges) should be clearly identified in the submission.
- iii. The authority to approve the creation of a new position beyond the annual budgetary process shall be granted by CEO's Office.

2. Clearance to fill vacancy

- i. Only when the creation of a new position is approved, it can be declared as vacant.
- ii. To start the recruiting process appropriate clearance should be sought from the CEO.

3. Attracting the right candidates

- i. HR Administrator shall advise line management in selecting the appropriate recruitment method(s).

4. Application process

- i. Candidates who wish to be considered for a vacancy shall submit a letter of application and their detailed curriculum vitae to HR Administrator using the recommended media.
- ii. If necessary, the application screening process shall be facilitated by using a standard application form.
- iii. Applications received after the deadline shall not be considered.

5. Screening, evaluation and selection

- i. HR Administrator shall assist in discarding applications that do not fulfill the minimum requirements of the position.
- ii. The concerned line manager shall establish a short list which shall be returned to HR Administrator to coordinate interviews.

6. Notification to candidates

- i. HR Administrator shall inform all candidates of the outcome of their applications.
- ii. The selected candidate shall be formally appointed following the stipulated procedure in MUSCCO.

7. Reimbursements of transport expense

- i. MUSCCO shall not refund transport costs to candidates who come for interviews unless indicated in the invitation to the interviews.

SECTION 2 APPOINTMENT AND INDUCTION

Policy Statement

All appointments on the MUSCCO establishment shall be on pensionable and contract terms.

All employees of MUSCCO shall receive an induction session on entry, reallocation and promotion, which shall encompass an overview of HRAP, procedures and operations of MUSCCO. The induction shall provide the new employees with the opportunity to learn the performance expectations of management with regard to the position in question and integrate into their new environment so that they become effective in their work as quickly as possible.

The duration of the induction shall not exceed five workdays.

Responsibility

Line management shall:

- i. Obtain approval for formal appointment after selection.
- ii. Provide HR Administrator with starting day, period of appointment and cost centre.
- iii. Conduct the necessary induction activities on the staff member's first days.
- iv. Ensure new **staff** has adequate space, equipment and supplies to start working.

HR Administrator shall:

- i. Make sure selection, appointment and induction procedures are followed.
- ii. Follow up on orientation activities.

- iii. Ensure full compliance of contract with employment laws and practices in Malawi.
- iv. Monitor the completion of probation periods.

Procedure

1. Offer of employment contract

- i. All staff and employees at MUSCCO shall have a letter of appointment or contract.
- ii. MUSCCO shall recognize only those terms and conditions formally approved and communicated in a formal offer of appointment.
- iii. All staff and employees contracts shall be offered in accordance with the procedures ascribed by MUSCCO on Staff member contracts.
- iv. All staff and employees shall be communicated with their salaries and benefits in the appointment letter. *(Please refer to salary and benefits structure).*

2. Induction

HR Administrator and concerned line manager share the responsibility for new staff member orientation, However it is the line manager's responsibility to:

- i. Direct the new staff member to HR Administrator for payroll processing and benefit enrolment.
- ii. Introduce the staff member to fellow staff.
- iii. Review the position description with the new staff member and discuss performance factors.
- iv. Explain reporting and supervisory responsibilities.
- v. Explain the organizational structure.
- vi. Give the new staff member a tour of the office and any instructions pertaining to the job that may be necessary for him to get started.

3. Probationary period

- I. All staff and employees shall be communicated with their probation.
(Please refer to Probationary period).

4. Contracting other categories of personnel

- I. All individuals employed by the MUSCCO must have a letter of appointment or contract.
- II. For categories of personnel which are not bound by the MUSCCO Human Resources Policy (such as temporary personnel employed for less than six months, consultants, interns or volunteers) refer to the appropriate sections on obligations of consultants, temporary personnel, interns and volunteers.

SECTION 3 STAFF MEMBER AND EMPLOYEE CONTRACTS

Policy Statement

MUSCCO shall establish procedures and rules for contracting staff members on permanent, fixed term and temporary assignments. For categories of personnel which are not bound by the MUSCCO HRAP (such as temporary personnel employed for less than six months, consultants, interns or volunteers).

Responsibility

Line management shall:

- i. Provide adequate time, according to contract provisions and relevant employment legislation; inform staff on fixed-term contracts that their contracts are coming to an end.

HR Administrator shall:

- i. Prepare employment contracts, ensuring timely signature.
- ii. Ensure full compliance of contracts with local laws and procedures.
- iii. Maintain original copies of all contracts on file.

- iv. Monitor contract expiry dates for fixed term contracts.
- v. Remind management and inform staff members concerned for completion of exit procedures.
- vi. Make any required amendment to a contract when promotion, internal transfer or change of assignment occurs.

Procedure

1. Offer of Contract

- i. Contracts must comply with employment laws and practice in Malawi.
- ii. After selection and approval to formally appoint an individual, HR Administrator shall prepare and submit the contract with any relevant attachments to the CEO or head of duty station, for review and signature.
- iii. This documentation is sent to the prospective staff member.
- iv. After accepting the terms and conditions of contract, the employee shall return a signed copy to HR Administrator before commencing appointment.

2. Contract review

- i. Changes to contractual terms and conditions shall be approved and confirmed by HR Administrator in writing either as a new contractor or contract amendment.
- ii. Any promotion or reassignment to a new post and/or duty station shall be confirmed in writing either as a new contract or a contract amendment.
- iii. Any contract review shall follow the Delegation of Authority.

SECTION 4 INTERNAL TRANSFERS

Policy Statement

An internal transfer is the relocation of a staff member and employee from one cost centre to another within MUSCCO. A transfer shall be effected to meet exigencies of services within MUSCCO.

Responsibility

Line manager shall:

- i. Approve the release of staff member to another cost centre
- ii. Coordinates the terms of the transfer with the line manager of the receiving cost centre.

HR Administrator:

- i. Ensures that the transfer is done in compliance with the established policies and procedures.

Procedure

1. Agreement

- i. A transfer shall normally follow the selection of appropriate staff member and employee for a vacant position in another cost centre.
- ii. The possibility of a transfer shall be discussed with the staff member and line manager concerned.
- iii. Careful planning and coordination with the receiving cost center shall be made in order to ensure smooth and safe transfer of the employee concerned to another cost center.

2. Short term transfers

- i. For short term transfers (not more than 3 months), is a transfer in which the staff member and employee is expected to return to the releasing cost centre.
- ii. MUSCCO shall cover the full cost of the internal transfer of the staff member and employee.
- iii. Information on the total amount to cover the transfer shall be sought from HR Administrator, who will give final approval for cross-charging such amount.

SECTION 5 PROBATIONARY PERIOD

Policy Statement

The probationary period provides an opportunity to the organisation and the probationer to assess each other before making a final commitment. It shall normally be specified in the staff member's contract.

The probationary period shall vary between three and six months depending on the probationer's knowledge of work, suitability for the specific role, capabilities and performance within the stipulated period.

Responsibility

Line management shall:

- i. Be responsible for liaise with HR Administrator any problems related to the performance of a probationer before the final month of the probationary period is served.
- ii. Provide the probationer with appropriate assistance and supervision to perform effectively in the position.
- iii. If necessary, written record should be made of any serious deficiency in job performance or personal conduct.

HR Administrator shall:

- i. Ensure that the terms of probationary period are laid down in employment contracts.
- ii. Seek confirmation from the line manager of satisfactory completion of the probationary period.
- iii. Inform the probationer of management decision with respect of his probation period.

Procedure

1. Contract

- i. The terms of the probation shall be laid down in the employment contract and shall be compliant with the employment laws and practice in Malawi.

2. Evaluation

- i. The performance of new, transferred, and promoted staff shall be continually evaluated on an informal basis.
- ii. The line manager shall discuss any performance-related problems with the probationer.
- iii. If, at any point during the probationary period, there are serious problems of performance, the line manager shall bring these to the attention of HR Administrator to decide on the best course of action.

3. Confirmation or Termination

- i. HR Administrator shall seek confirmation from the line manager on the performance outcome of the probationary period.
- ii. The line manager shall, for the purpose of termination, write a report to the HR Administrator.
- iii. HR Administrator shall then inform the probationer, in writing, that the probation period has been satisfactorily completed, or he shall issue the corresponding termination notice, according to what is specified in the staff member's contract and/or according to Employment Act 2000.
- iv. A signed copy of this letter, together with the review report mentioned above, will be kept on the staff member's file.
- v. It is recommended that a verbal warning is given at least one week before.

4. Other provisions

- i. During the probationary period, the probationer is not eligible for leave unless approved by the head of duty station.

- ii. Where the performance of the employee is unsatisfactory, his appointment maybe extended for a maximum period of three months if it is believed that he is likely to improve his performance during the extended period.
- iii. In such event the employee will be informed of management's decision to extend the probationary period and the reasons for such decisions.
- iv. If the employee still fails to perform his duties satisfactorily during the extended probationary period, his appointment shall be terminated.
- v. The Board in its discretion may allow the whole or part of any continuous period of temporary service not exceeding twelve months to be considered as forming the whole or part of probationary period in a case where such employee is considered suitable to be taken on permanent contract.
- vi. CEO, with approval of the Board, reserves the right to make payment in lieu of notice or terminate the contract of service without notice for any serious breach of MUSCCO rules and regulation.

SECTION 6 EMPLOYMENT OF RELATIVES

Policy statement

MUSCCO shall allow the engagement of qualified relatives of employees provided that they are subjected to recruitment methods and selection interviews or examination like any other job applicant. Furthermore the employee shall not be supervised or supervise a relative.

Responsibility

Line management shall:

- i. Follow the appropriate recruitment procedures.

HR Administrator shall:

- i. Ensure that the policy for employment of relatives is adhered to.

- ii. Ensure that appropriate recruitment procedures are adhered to
- iii. Ensure that no preferential treatment is given to any candidate by virtue of his relationship with any staff member and employee.
- iv. Ensure that the recruitment agrees with the conditions of service and the employment laws and practice.

Procedure

1. Assessment

- i. If the relative of a staff member applies for a position within MUSCCO, HR Administrator shall assess the situation and shall supply his opinion on whether there would be an actual or perceived conflict of interest in recruiting such candidate.

2. Recruitment and Selection

- i. Even when conflict of interest is not identified or suspected the HR administrator shall carefully follow-up the recruitment and selection process to ensure that there is no special preference given to the candidate by virtue of the relationship with any staff member and employee.
- i. Under no circumstances shall a staff member and employee participate in any phase of the selection and recruitment process of a position to which a relative has applied.
- ii. This shall include the screening of applications, short listing and interview panels.

SECTION 7 SECONDMENTS, INTERNSHIP AND VOCATIONAL EMPLOYMENT

Policy Statement

The policy sets out rules to manage interne and staff seconded from other organizations for training and exposure to cooperative philosophy and education. During the period of Secondment, the staff member and employee

shall be subject to the supervision of a line manager as specified in the letter of agreement between MUSCCO and the releasing organization.

SECONDEMENT

Responsibility

Line management shall:

- i. Obtain approval from the CEO/Board to accommodate staff seconded from other organizations.
- ii. Negotiate the terms of secondment with the releasing organisation, in collaboration with HR Administrator.
- iii. Submit the agreement to HR Administrator, including the appropriate position description.
- iv. Ensure timely signature of the agreement.
- v. Ensure seconded staff members have adequate space, equipment and supplies to start working.
- vi. Follow induction procedures where appropriate (Please refer to appointment and induction procedures).

HR Administrator shall:

- i. Ensure full compliance of agreement with the employment laws and practice.
- ii. Maintain original copies of all secondment agreements on file.
- iii. Monitor expiry dates and remind management of the dates.

Procedure

1. Approval

- i. Line manager shall obtain approval from HR Administrator to accommodate or admit the staff being seconded from other organizations.
- ii. The line manager shall identify funds that will cover the assignment and get approval accordingly the procedure prevailing at the duty station.

- iii. This shall include confirmation of available budget.

2. Agreement review and signature

- i. The line manager concerned shall negotiate the terms of agreement with the releasing organisation in collaboration with HR Administrator.
- ii. The services of staff seconded from other organizations are governed exclusively by the terms and conditions set out in the letter of agreement where all obligations and entitlements shall be specified.
- iii. Prior to signature, the agreement must be reviewed by HR Administrator.

3. Induction

- i. All line manager shall follow induction procedures as described in appointment and induction procedure.

4. End of Secondment

- i. Seconded staff shall submit an evaluation form to the line manager concerned at the end of the assignment.
- ii. Upon completion of an assignment, the designated line manager shall provide the releasing organisation and HR Administrator with a brief performance appraisal.

INTERNS

Responsibility

Line management shall:

- i. Obtain approval from the CEO to accommodate an intern and prepares job description.
- ii. Ensure that the selected intern has the appropriate profile to fill the position description.
- iii. Provide HR Administrator with starting day, period of appointment and cost centre.

- iv. Ensure interns have appropriate space, equipment and supplies to start work.
- v. Follow induction procedures (refer to appointment and induction procedure).
- vi. Submit a brief performance appraisal to HR Administrator on completion of an internship.

HR Administrator shall:

- i. Prepare the contract and ensure timely signature.
- ii. Ensure full compliance of contracts with employment laws and procedures.
- iii. Maintain original copies of contracts on file.
- iv. Monitor expiry dates of contracts and remind management to inform the intern.
- v. Hold exit interviews for interns to gain feedback on their experience.

Procedure

1. Approval

- i. Line manager shall identify funds that will cover the internship, including any related costs (e.g. equipment, supplies, travel, overheads, etc.) and obtain approval from CEO through the procedure prevailing at the duty station.
- ii. This shall be done prior to identifying candidates and shall include confirmation of available budget.
- iii. Apposition description outlining objectives and expected outputs shall be submitted for approval by CEO.

2. Application and screening of candidates

- i. Prospective interns shall fill an application form, to be submitted to HR Administrator together with the latest copy of certificates or transcript(s) and curriculum vitae before the beginning of the intended internship.

- ii. HR Administrator shall assist the unit concerned in screening applications to determine the most suitable candidate in terms of qualifications and experience for a particular job in MUSCCO.

3. Acceptance and office accommodation

- i. HR Administrator will draw up and dispatch the necessary contract and ensure timely signature.
- ii. All line managers shall follow induction procedures (please refer to appointment and induction Procedure).
- iii. The services of interns are governed exclusively by the terms and conditions set out in the contract, where all obligations and entitlements shall be specified.
- iv. Internship agreements must abide with the rules set by MUSCCO in obligations of consultants, temporary personnel, interns and volunteers.

4. Expiry of internship

- i. Interns shall submit an internship evaluation form to the line manager concerned at the end of the internship.
- ii. Upon completion of an assignment, the line manager shall provide HR Administrator with a brief performance appraisal.
- iii. On successful completion of the assignment, interns will be given an attestation of completion of assignment from the line manager.

SECTION 7 VOLUNTEERS

Policy Statement

MUSCCO is open to engage volunteers as a way to enable interested people gain some hands on experience in the work of the organisation and to cover specific work assignments for which they are competent. Assignments for Volunteers are specific in terms of hours, days, weeks or months.

Responsibility

Line management shall:

- i. Identify prospective volunteers for specific work.
- ii. Prepare a position description.
- iii. Obtain approval to engage a volunteer, according to procedures prevailing at duty station.
- iv. Prepare a written agreement for review by HR Administrator
- v. Ensure volunteers have the necessary space, equipment and supplies to start working.
- vi. Follow induction procedures where appropriate as stipulated in Appointment and Induction Procedure.

HR Administrator shall:

- i. Ensure full compliance of agreement with the employment laws and practice.
- ii. Maintain original copies of all volunteers' agreements on file.
- iii. Monitor expiry dates and remind management of the dates.
- iv. Maintain a file for each volunteer.

1. Identification, approval and selection

- i. Line manager wishing to engage a volunteer shall prepare a position description outlining objectives and expected outputs
- ii. This shall be approved by CEO according to the procedure prevailing at the duty station, (please refer to recruitment/extension).
- iii. After selection, the line manager shall follow induction procedures (please refer to appointment and induction).

2. Letter of agreement

- i. The line manager concerned shall ensure that the volunteer signs a written agreement and shall provide a copy to HR Administrator for filing purpose.
- ii. An agreement is necessary to avoid any misunderstanding regarding the scope of engagement of the volunteer.
- iii. The services of volunteers are governed exclusively by the terms and conditions set out in the agreement and must abide by the rules set out in the obligations of consultants, temporary personnel, interns and volunteers.

3. Office accommodation

- i. The line manager concerned shall make sure that working space and equipment is available and that any costs incurred are budgeted.
- ii. Favorable office overheads shall be applied whenever possible, according to the procedures prevailing at the duty station.

4. Expiry of engagement

- i. On successful completion of the engagement, volunteers shall be given an attestation of completion of assignment from the line manager concerned.

SECTION 8 TEMPORARY PERSONNEL

Policy Statement

MUSCCO shall engage temporary personnel employed under short –term contracts of defined duration (not exceeding 12 months) when there is need to do so. Any extensions shall be approved by CEO upon receiving justification provided by the Head of Department and for as long as there are no contravention of labour laws

Responsibility

Line management shall:

- i. Obtain approval for recruitment of temporary personnel.
- ii. Provide HR Administrator with the following required information for contract purposes: salary, starting day, period of appointment and cost centre.
- iii. Prepare position description.
- iv. Ensure temporary personnel have the necessary space, equipment and supplies to start working.

HR Administrator shall:

- i. Keep a file of available temporary personnel or outsource such service to external employment agency.
- ii. Prepare contracts and ensure timely signature.
- iii. Ensure full compliance of contracts with employment laws and procedures.
- iv. Maintain original copies of all contracts on file.
- v. Monitor ending dates of temporary contracts and remind management to inform the persons concerned.

Procedure

1. Approval of recruitment

- i. Line manager shall obtain approval from the CEO according to the procedure prevailing at MUSCCO to contract temporary personnel (please refer to recruitment/extension).

2. Offer of Contract

- i. HR Administrator shall submit the contract and relevant attachments to the head of duty station, for review and signature.
- ii. Temporary personnel shall return a signed copy of the contract to HR Administrator before commencing appointment.
- iii. All obligations and entitlements shall be specified in the contract.

- iv. Temporary personnel contracts shall abide by the rules as stipulated. (Please refer to obligations of consultants, temporary personnel, interns and volunteers).

SECTION 9 CONSULTANTS

Policy Statement

MUSCCO shall hire consultants to supplement skills that might not be regularly required, or in cases when the organisation does not have the time and/or capacity to perform certain activities or develop specific products. While normally consultants are independent individuals, they may be part of an organisation.

Consultants can also be specialized agencies or companies that provide such services.

Responsibility

Line management shall:

- i. Obtain approval from the CEO for engagement of consultants.
- ii. Draft contracts according to the established format and forward them to HR Administrator for review and validation.
- iii. Prepare terms of reference.

HR Administrator shall:

- i. Ensure full compliance of contracts with the employment laws and procedures.
- ii. Develop and update a standard format for consultancy contracts.
- iii. Maintain original copies of all contracts on file.
- iv. Monitor expiry dates of contracts and remind line management to inform the persons concerned.

Procedure

1. Approval for engagement of consultants

- i. The line manager concerned shall obtain approval to engage a consultant through the procedure prevailing at the duty station, and under the considerations of the Delegation of Authorities Policy.
- ii. This shall include confirmation of available budget by Finance Manager.
- iii. The line manager concerned shall draft the contract according to the established format.
- iv. The contract and terms of reference shall be reviewed by HR Administrator, who is responsible for ensuring:
 - a. full compliance of contracts with employment laws and regulations, and
 - b. Conformity with the HR Administrator guidelines for consultant contracts, which forms part of this procedure.

2. Offer of Contract

- i. The consultant shall return a signed copy of the contract to HR Administrator before commencing the consultancy.
- ii. The services of consultants are governed exclusively by the terms and conditions set out in the agreement and all obligations and entitlements shall be specified in the contract.
- iii. Consultancy contracts shall include a section on the obligations of consultants, temporary personnel, interns and volunteers.

CHAPTER 3: POSITION MANAGEMENT

SECTION 1 POSITION DESCRIPTIONS

Policy Statement

Position descriptions shall be reviewed and updated annually, normally during performance evaluation discussions. The position description shall be used as the basis for the position evaluation process.

Responsibility

Line management shall:

- i. Prepare and sign, in consultation with the staff member and employee concerned (if there is one), a position description in the format provided by HR Administrator.
- ii. Attach a position description to all requests to create new positions or to fill vacancies (please refer to recruitment process).
- iii. Ensure position descriptions are kept up-to-date and approves changes to position descriptions in agreement with the staff members and employee concerned.
- iv. Submit signed copies of position descriptions to HR Administrator for final approval.

HR Administrator shall:

- i. Provide a generic format for all position descriptions.
- ii. Follow the position evaluation process when required.
- iii. Keep a file of all position descriptions for the duty station.

Procedure

1. Approval

- i. The line manager shall be responsible for providing an approved position description to HR Administrator when submitting a request to create a new position and/or when the recruitment process for a vacant position has been approved to start (refer to recruitment process).
- ii. This document shall be used as the basis for the recruitment process and it shall also be an integral part of the staff member's contract.

2. Updating

- i. Position descriptions shall be revised by the staff member and employee concerned, when duties and responsibilities change, provided that the line manager approves them.
- ii. Revised position descriptions shall provide the basis for a re-evaluation of the position and further re-classification at a new function group/grade (refer to position evaluation).
- iii. In cases where responsibilities decrease, the line manager shall also request a revision of the position description and a subsequent re-evaluation of the same.

3. Format

- i. A position description shall contain the following sections:
 - a. Title of the position
 - b. Duty station
 - c. Department or unit
 - d. Line manager: It is the position with supervisory responsibilities over the described position.

- e. Work percentage: This can be higher than 100% if the position is to be shared by two or more staff appointed to the position
- f. Function group/grade: It is the classified function group/grade of the position.
- g. Date: Date when the position description has been approved.
- h. Background: A brief introduction may be useful, especially for proposed new positions.
- i. Job description: Description of the main duties and responsibilities of the position (including, if applicable, responsibilities over human and financial resources, autonomy of the job, internal and external contacts)
- j. Requirements: Knowledge, skills and experience necessary to fill the position (including, if applicable, languages and technological skills).

SECTION 2 GRADE STRUCTURE

POLICY STATEMENT.

Employees of similar qualifications and experiences shall be placed within the same grade range in terms of salaries and other applicable benefits. Every job shall be placed together with other jobs in a class of jobs consistent with the demands placed on it. All staff appointments, payments and allowance shall be based on the grading scheme

Responsibility

HR Administrator shall:

- i. Maintain the grading structure up to date, keeping abreast with changes in the market and developments in human resources management.

Procedure

1. Grade structure

The MUSCCO grade structure differentiates eight function groups in four different generic categories:

Grade Scale at MUSCCO

| GRADE | RANK | FUNCTION GROUP | TYPE OF EMPLOYMENT |
|-------|-------------------|--|--------------------|
| M1 | Chief Executive | Policy Decision | Contract |
| M2 | Senior management | Programming and Administration Decisions | Contract |
| C | Management | Operational & Administrative Decisions | Contract |
| D | Supervisory | Interpretive Decisions | Contract |
| E | Officer | Defined Decisions | Contract |
| F | Staff | Auxilliary support | Contract |
| G | Support staff | Auxilliary support | Contract |

Procedure

2. Post classification

- A position shall be classified to a specific function group/grade only after a comprehensive position description is developed.
- Classification shall be done by evaluating the position description, *(please refer to Position descriptions and Position evaluation)*.
- Staff appointments will be based on the grading scheme.

- iv. Employees shall be notified of their grade whenever they are appointed to a post.
- v. All salary payment and allowances will be based on one's grade.
- vi. Whenever and wherever there is need to change the grade structure or grade of a post(s) or consider the grade of a new post the HR Administration shall make a recommendation to CEO for approval.

SECTION3 SALARY STRUCTURE

Statement Policy

The salary shall aim to attract, retain and motivate employees by developing and maintaining competitive and equitable salary structure. Job classes, salary grades and rates within salary grade range shall be determined by history, experience, qualifications and professional achievements.

Responsibility

Line Manager shall:

- i. Ensure that the duty station's budget includes appropriate provisions for salary adjustments.
- ii. Submit all necessary justifications and documentation for budget approval.

HR Administration shall:

- i. Keep abreast of the latest developments in market practice.
- ii. Follows-up the official government cost of living index.
- iii. Advise line management on cost of living increases and provides the necessary documentation for budget submission purposes.
- iv. Follow-up staff salaries and advises line management of potential salary adjustments for budget submission purposes

Procedure

- i. All jobs shall be allocated into a salary range within a job grade structure.

- ii. Each grade shall have a salary range with minimum and maximum points.
- iii. No individual holding a job in one grade shall move beyond the maximum point of the salary range unless he is promoted to a higher job grade.
- iv. Jobs shall be re-graded within the structure when their values change due to change in responsibilities or pronounced movement in market rates. The latter case is imposed by external circumstances and it does not imply that all jobs previously positioned at the same level by job evaluation should be re-graded.
- v. General increase in the cost of living or in market rates shall be accommodated by proportional increases to the minima and maxima of salary grades.
- vi. The salary grades shall be wide enough to provide room to recognize that people in jobs graded at the same level can perform differently and shall be rewarded in accordance with their performance.
- vii. The mid –point of each grade shall be the target salary for the grade and it is assumed that if there is a steady movement of staff through the grade.
- viii. The average salary of the staff in the grade shall correspond with the target salary.
- ix. There shall be an overlap between salary grades which acknowledge that an experienced person doing a good job is of more value to MUSCCO than a new comer in a job of the same grade.
- x. All jobs allocated in the same salary scale shall be assumed to be broadly of the same level.

1. Progression within the salary Range

- i. A basic principle underlying the salary structure designed for MUSCCO is that individuals can advance through the structure either by progressing

within the salary grade for the job as they improve their performance, or by promotion.

- ii. In this structure employees will move or less steadily from the entry point of the grade (which might be above the minimum if they have already gained relevant experience elsewhere or within the firm) to the upper limit, unless they move to a higher grade.
- iii. Annual increments shall be dependent on satisfying performance criteria.
- iv. Employees that do not satisfy performance criteria would stagnate in the salary grade (range). Their salaries would only go up during cost of increase exercise that benefits all employees equally.
- v. MUSCCO has a system that all those that are in management shall participate in making performance appraisal recommendations, so those awards of increments are not remotely controlled.
- vi. Increment shall follow the annual appraisal process with each review, salary must be adjusted accordingly.

3. Salary Administration procedures

- i. Salary administration procedures shall be concerned with the implementation and control of salary policies and costs against budgets.
- ii. Control is an essential element of salary administration, the salary administration procedures shall relate to:
 - (a) Salary Budgets
 - (b) Individual salary reviews
 - (c) Fixed salary levels on joining MUSCCO or promotion

4. Salary Budgets

- i. MUSCCO shall establish a detailed salary budget based on the number of staff and employee required to carry out the projected volume of work, projected number of promotions and promotional increases and number of employees joining and leaving the organization.
- ii. The likely effect on salary costs by changes in the number employed and of difference between the salary level of those joining or leaving employment.

5. Cost of living or General Reviews of Salary Levels

- i. General salary reviews shall take place when necessary to increase all salaries in response to increase in cost of living or market rate.
- ii. The revisions shall be undertaken in line with clear guidelines defining the limit to which the pay-roll costs can increase as a result of the review.
- iii. Other adjustments/ reviews shall be based on performance.

6. Fixing Salaries on Appointment or Promotion

- i. Control over starting salaries shall be exercised by providing guidelines on the policies to be followed and by defining who has the authority to approve salaries.
- ii. The rule shall be to start inexperienced staff members and employees at the bottom of the range.
- iii. Salaries up to 15 percent above maximum shall be offered in order to attract an outsider at a higher salary than existing staff.

- iv. Appointment at a salary above this level would only be made with the approval of the CEO.
- v. Promotion shall attract salary rise forthwith rather than being left to the annual review.
- vi. The starting point shall not be higher than 15 percent above the minimum rate for the grade for employees with more experience and qualification than the prescribed minimum qualification and experience.

7. Salary Bar

- i. A graded salary structure implies that there is a limit to the salary progression that any employee can make in a job.
- ii. If there are no promotion prospects, this means that an individual who reached the top of his bracket can go no further.

SECTION 4 POSITION EVALUATION

Policy Statement

Position evaluation is the procedure by which a position is analysed and then classified under a certain function group/grade. All established positions in MUSCCO shall be accurately classified within the grading system.

It is important to note that function groups/grades are assigned to positions not people.

Responsibility

Line management shall:

- i. Follow the procedures set out to create or update a position description (please to refer to position descriptions).
- ii. Submit requests for classification of new positions, as part of the approval process for recruitment (please refer to recruitment process).

- iii. Submit changes to the classification of existing positions to HR Administrator together with the corresponding updated position description.

HR Administrator shall:

- i. Use position evaluation methods and tools and assign grades to new positions
- ii. Decide whether or not a reclassification of an existing position is warranted.

Procedure

1. Position evaluation

- i. When a position falls vacant and a major change in functions and responsibilities has taken place or is expected to take place;
- ii. Following a re-organisation entailing substantial modification of functions and responsibilities of position(s).
- iii. At the request of the line manager when the functions and responsibilities of a position have substantially changed on a permanent basis;
- iv. At the request of the incumbent when he considers that, for at least six months, he has been performing functions and assuming responsibilities different in nature from those indicated in the position description of the position occupied;
- v. When a new position is created for duration of six months or longer.

2. Request for evaluation of new positions

- i. Line manager shall seek approval from HR Administrator to create a new position
- ii. Line manager shall provide HR Administrator with the corresponding position description well in advance in order to properly evaluate and assign the new position to appropriate function.

- iii. This shall serve as the basis to cost the position and to submit it to the budget process together with the appropriate documentation.

3. Request for evaluation of existing positions

- i. The first step is to evaluate an existing position is to update the position description in order to clearly describe the new role of the job.
- ii. The new description shall be approved by the CEO.
- iii. The request to evaluate a position is normally made through the line manager.
- iv. If this is not supported by the line manager, the request shall be originated by the incumbent; however, HR Administrator shall establish the reasons why such an evaluation is not supported.

4. Position evaluation process

- i. Using position evaluation methods and tools, HR Administrator shall:
 - a. assign a function group/grade to a new position or,
 - b. determine whether or not reclassification of an existing position is warranted.

5. Approval

- i. The line manager shall approve the reclassification following the recommendation of HR Administrator.
- ii. Classification of all positions in function groups (Management) and above require approval of the CEO (please refer to the Grade structure).

CHAPTER 4: COMPENSATION AND BENEFITS

SECTION 1 COMPETITIVE COMPENSATION STRUCTURE

Policy Statement

MUSCCO shall establish and maintain competitive and equitable compensation scheme that approximates well with the compensation and benefits awarded by other institutions in the financial sector in Malawi and which are in tandem with employment laws and practice in Malawi. The compensation shall comprise salary, allowances and various benefits. The award of the compensation shall be based on the grade and status of the employee.

Responsibility

Head of duty station shall:

- i. Ensure that the duty station establishes a competitive compensation system that reflects the conditions of the market.
- ii. Approve salary scales for the duty station.

HR Administrator shall:

- i. Regularly conduct compensation surveys
- ii. Review the salary scales on an annual basis and submit them to the CEO for approval

Procedure

1. Compensation surveys

- i. HR Administrator shall regularly conduct compensation surveys with a significant group of comparable organizations in the financial sector at a

national level with the objective of determining the market pay point (MPP) for each grade in MUSCCO.

- ii. MPP shall reflect the average compensation that MUSCCO shall offer to an employee and its staff members in a position classified at a given grade.
- iii. The survey shall be regarded as an assessment of the market situation, providing MUSCCO with the means to adapt to changing conditions and provide compensation opportunities that are appropriately competitive within the labour market which take into account the need to maintain them affordable within MUSCCO's financial capacity.
- iv. In cases where the costs of conducting this kind of survey or the impossibility to find an adequate spectrum of similar organizations, the HR Administrator shall be consulted on the way to proceed.

3. Process

- i. After establishing comparable organizations, the jobs to be reviewed shall be identified as benchmark jobs.
- ii. Benchmark jobs are relatively stable within the organisation hierarchy, and the content of these jobs is not likely to change significantly over time.
- iii. The content of each job (knowhow, problem-solving, accountability) shall be the basis for pay level comparison.
- iv. HR Administrator shall meet with each organisation as part of the survey to determine their compensation policies, working conditions and benefits.

4. Salary scales

- i. HR Administrator is responsible for maintaining an appropriate salary scale in which each function group/grade is assigned to a salary range.(please refer to Salary reviews).

SECTION 2 BENEFITS

Policy Statement

MUSCCO shall establish benefits scheme to compensate its employees for their continued contribution and loyalty to MUSCCO. The benefits packages shall promote the social welfare and quality of work life for employees. To ensure equity and fairness in the distribution of benefits criteria based on the grade status of employees and length of shall be adopted.

Responsibility

Head of duty station shall:

- i. Ensure that the benefit package is competitive within the local labour market.
- ii. Ensure that benefit package is sustainable to the MUSCCO's financial capacity.
- iii. Ensure that staff members and employees, in particular those who travel on behalf of MUSCCO, have adequate insurance coverage.

HR Administrator shall:

- i. Research and advise the head of duty station on benefit opportunities and market trends.
- ii. Shall ensure effective administration of benefit packages
- iii. Ensure staff members are fully aware of their rights and obligations pertaining benefits.
- iv. Assist staff members and employees in answering benefit related queries.

Procedure

- i. Some of the benefits shall be contributory whereby employees shall contribute a prescribed percentage towards the scheme.
- ii. The package of benefits provided to staff members shall be equally available to all at a given duty station.

- iii. Benefits shall be consistent with the grade and status of the employee
- iv. Benefits shall be regarded as privilege and not a right.
- v. The competitiveness of the benefit package offered to staff members shall be evaluated as part of a compensation survey.

Access and availability of the benefits

The following benefits shall be available to staff members and employees at the following periods:

i. Immediately upon employment

- 1) Relocation Allowance
- 2) Medical Scheme Membership
- 3) Participation in MUSCCO Pension Scheme
- 4) Sick Leave
- 5) Any other benefits as maybe specified in specific contract

ii. Upon satisfactory completion of probation

- 1) Leave benefits accumulation from first month of employment. If the leave days were not accumulated by the time of forfeiting the days, for some reasons (work load) the organization shall commute 50% of the days after the approval of Head of department.
- 2) Participation in an insurance Benefits Programme

iii. Upon completion of one year's continuous service

- 1) Leave Grant shall be accessed as set out by senior management upon recommendation of the CEO.

Accommodation

Procedure:

- i. Only the Chief Executive Officer (grade M1) shall be entitled to house whether institution owned or rented by MUSCCO.
- ii. The rent amounts will be approved by the Board as per Contract. MUSCCO shall pay fringe benefit tax to MRA on a house rented by MUSCCO or owned and occupied by the Chief Executive Officer.

Water and Electricity

- i. Members of staff of grades D, to M1 shall be entitled to allowance to pay for water and electricity up to an agreed limit as determined from time to time by Management.

Institutional House Where a member of staff or employee occupies MUSCCO owned house, he may not use the servant quarters for any purpose other than that of residence for himself and his family or his servants.

Alteration and maintenance

- i. Where an employee occupies an institution house he shall not carry any structural or make other alteration of such house without the written approval of Management.
- ii. Such an employee shall not be reimbursed for any such alteration unless the HR administrator authorized.
- iii. Where an employee occupies institutional house, he shall be responsible for maintaining such house and the entire premises thereof in a tidy and sanitary condition.
- iv. Trees shall not be cut down nor shrubs removed or destroyed by such employees without the prior written approval of the HR Administrator.

Default and damage

- i. Where an employee and staff members occupies institutional house, the HR Administrator shall recover from him the cost of repairing any damage to the house, the grounds or equipment installed in the house.

Health Care Insurance Scheme

- i. All Staff and employees in all grades shall be expected to join a Health Care Service provider as approved by MUSCCO management.
- ii. Those in grade M1 and M2 shall be entitled to benefit from the VVIP and VIP Schemes respectively, and the rest shall be put on an Executive scheme.
- iii. In all the cases above the maximum number of dependents benefits for each staff shall be four (4).

| GRADE | RANK | Medical Scheme |
|-------|-------------------|---|
| M1 | Chief Executive | 100% VVIP Scheme benefit to Wife and 3 biological Children |
| M2 | Senior management | 100% VIP scheme benefit for the employee 50% of VIP scheme Benefitfor Wife and 3 biological Children |
| C | Management | 100% Executive Scheme Benefit to main member 50% for Wife and 3 biological Children |
| D | Supervisory | 100% Executive Scheme benefit |
| E | Officer | 100% Executive Scheme benefit |
| F | Staff | 100% Executive Scheme benefit |
| G | Support staff | 100% Executive Scheme benefit |

NOTE: Upon approval by the CEO, employees are allowed to bring unto the scheme additional beneficiaries for as long as the amount of contributions are deductible from the employee's salary on monthly basis.

Death

- i. Upon the death of an employee or member of staff HR Administrator shall ensure that the next of kin are notified.
- ii. Steps shall be taken by HR Administrator to ensure the cash and personal effects of the deceased employee or staff member are safe and

handed over to the person or party lawfully entitled to administer the estate.

- iii. The provisions in Workmen's Compensation Act shall be applied where appropriate.
- iv. In the event of death of staff member or employee or qualified family member, HR Administrator shall ensure that suitable arrangements are made for the funeral of the deceased.
- v. A paid compassionate leave of 5 Days will be given.
- vi. Transport, Coffin, food stuffs and a provision of condolence funds will be provided.
- vii. In the event of death of an immediate family member (spouse, biological/adopted child/ , mother and father, as per MUSCCO records) MUSCO shall provide a coffin and transport the body for burial.
- viii. Other related costs a embalming in case of moving body to distant countries and transport shall be covered by MUSCCO.

| GRADE | RANK | Coffin | Number of vehicles | Condolence | Food stuff |
|-------|----------------------------------|--------|--------------------|------------|------------|
| M1 | Chief Executive /Board member | | | | |
| M2 | Senior management | | | | |
| C | Management | | | | |
| D | Supervisory | | | | |

| | | | | | |
|----------|----------------------|--|--|--|--|
| E | Officer | | | | |
| F | Staff | | | | |
| G | Support staff | | | | |

CHAPTER 5: PERFORMANCE MANAGEMENT

SECTION 1 – PERFORMANCE MANAGEMENT

Policy Statement

Performance management at MUSCCO is a cycle of continuous performance enhancement consisting of three major phases - performance planning; progress review and feedback; and the annual performance evaluation. Each phase includes distinct activities to be carried out during the annual performance cycle by line manager and staff. Performance management is the main tool to identify individual career development objectives and to target individuals for succession planning.

Responsibility

Line management shall:

- i. Set attainable, measurable performance targets/outputs/objectives with staff under supervision based on programme objectives for the year ahead.
- ii. Review progress on a permanent basis, providing feedback as required and enough opportunities to supervisees in order to resolve work related issues (please refer to progress review and feedback).
- iii. Provide coaching and on the job training when necessary (please refer to on the job training)

- iv. Initiate the annual performance evaluation process, as established by HR Administrator (please refer to annual performance evaluation).
- v. Discuss areas for improvement and training needs (please refer to training needs assessment).
- vi. Recommend to the HR Administrator staff members who according to his judgment have achieved a level of outstanding performance.
- vii. Provide non-monetary rewards when appropriate.

HR Administrator shall:

- i. Provide advisory service as required.
- ii. Advise the heads of department in the preparation of performance recognition plans.
- iii. Provide advice on non-monetary rewards when appropriate.

Procedure

1. Performance planning

- i. Line manager shall establish attainable, measurable yearly performance targets, outputs and objectives with employee under his supervision based on programme objectives for the year ahead.
- ii. The targets, outputs and objectives shall be accompanied by the standards by which employee will be measured.
- iii. This shall normally be made as soon as employee is engaged to work for MUSCCO, at the end of a probationary period, at the annual performance evaluation or following organizational changes.

2. Progress review and feedback

- i. Line manager shall ensure that regular progress review and provision of feedback are taking places because they are critical components of performance management.
- ii. Both line manager and staff members shall be responsible for the success of performance management (please refer to progress review and feedback).

3. Annual performance evaluation

- i. (Please refer to annual performance evaluation)*

4. Rewards for merit

- i. (please refer to rewards for merit)*

5. Unsatisfactory performance

- i. Line manager shall deal with unsatisfactory performance by the mechanisms such as progress review and feedback, coaching and counseling, training, on-the-job training, withholding of performance increment disciplinary action etc.).
- ii. Continued unsatisfactory performance shall form the basis for termination of employment.
- iii. This disciplinary action shall be properly documented and must be in line with the employment laws and procedures in Malawi.
- iv. Where the line manager is not satisfied with the performance of staff member's as indicated by annual performance assessment, he shall inform the staff member of the shortfalls in writing and shall give him a chance to improve.
- v. Line manager shall consider particular circumstances of each staff member when taking his decisions regarding performance ratings.
- vi. In case that the staff member does not improve the performance within the given period, the line manager shall recommend withholding of annual performance increment.
- vii. If the member of staff concerned is not satisfied the sanction, he may appeal to CEO through HR Administrator (please refer to grievances procedure).

SECTION 2 – PROGRESS REVIEW AND FEEDBACK

Policy Statement

MUSCO shall provide a supportive, harmonious working environment, which shall allow staff members and line manager to honestly discuss work related problems or suggestions in order to improve performance.

Staff should be able to bring job related issues to the attention of their line manager with the assurance that the matter shall be given serious consideration.

Line manager shall have the responsibility for reviewing progress and providing feedback as an integral part of the performance management cycle.

Responsibility

Line management shall:

- ii. Provide enough opportunities to staff members for the solution of work related issues.
- iii. Review progress on a permanent basis, providing feedback as required.
- iv. Provides coaching and on the job training when necessary (refer to On the job training).
- v. Maintain an adequate working environment where staff members are treated honestly, with dignity and respect.
- vi. In cases of grievance, follow the appropriate procedures (refer to Grievance procedure)

HR Administrator shall:

- i. Provide advice to line manager as requested.

Procedure

- i. Employee shall approach their line manager as a first instance to discuss work related issue as soon as they appear.
- ii. Line manager shall be responsible for holding regular work related discussions with supervisees and to provide enough feedback in order to indicate areas where performance should be improved.

- iii. Interaction shall not be limited to the annual performance evaluation, which is an exercise that does not substitute the need for regular discussion.
- iv. Line manager shall observe and record specific examples of performance whenever they occur, providing specific feedback as required.
- v. Feedback shall be positive or corrective and both should be acknowledged.
- vi. Line manager shall ensure that feedback is:
 - a) **Timely:** It is as immediate as possible
 - b) **Specific:** It is detailed and descriptive.
 - c) **Behaviorally based:** It addresses behaviour, not character, motivation or personality
 - d) **Balanced:** It acknowledges positive behaviour as well as opportunities for improvement.
 - e) **Actionable:** It is something upon which the receiver actually has the ability to effect change.

SECTION 3 – ANNUAL PERFORMANCE EVALUATION

Policy Statement

Annual performance evaluation shall be conducted towards the end of MUSCCOs financial year and duly completed Appraisal Forms shall be submitted by line manager to HR Manager not later than 31st December of every year.

Line manager shall give appraisees a minimum of three (3) days' notice to prepare the evaluation. Performance evaluation shall be treated as part of manager routine work and shall not attract additional payment.

Responsibility

Line management shall:

- i. That each staff member or employee is appraised twice in every year.

- ii. Personally hand over to the staff member the forms to be completed and agree on a date and venue for the performance evaluation meeting.
- iii. Complete the evaluation form with **the staff member** (refer to performance evaluation).
- iv. Ensure **the staff member** has a copy of the previous year's review and also of any other relevant correspondence between them.

HR Administrator shall:

- i. Communicate the process to all staff and makes the necessary forms available.
- ii. Establish the time frame for the annual process.
- iii. Keep a file of annual performance evaluations.

Procedure

1. Preparation

- i. Each staff or employee's performance shall be appraised twice in every year.
- ii. A time frame for the annual performance evaluation process is established by the HR Administrator.
- iii. The dates and corresponding process are communicated to all staff by HR Administrator.
- iv. Line manager agrees with each supervisee on a date and venue for the performance evaluation meeting.
- v. Prior to the review, Line manager and staff member shall enter draft responses on the blank performance evaluation form for their discussion, and make notes of other discussion points.

2. Performance evaluation meeting

- i. Line manager shall ensure that the meeting provides the summarization and record of the staff member's achievements and performance for the reporting period in relation to the performance targets, outputs and objectives agreed the previous year.

- ii. Line managers shall ensure that the targets, objectives and outputs are discussed to determine where the expectations have been met, exceeded, or improvement.
- iii. Line manager shall ensure that discussion shall not replace any other discussions between staff member and line manager with regard to ongoing levels of performance and contribution.

3. Performance evaluation outputs

- i. Line manager shall ensure that performance agreement shall be established, setting the performance targets, outputs and objectives for the following year.
- ii. Line manager shall identify development needs and agree with the staff member on the means to acquire required knowledge, skills and/or expertise (please refer to Training needs assessment).

4. Performance evaluation instruments

- i. The line manager and staff member shall sign the performance evaluation form.
- ii. It must be countersigned by the second reporting officer.
- iii. MUSCCO shall operate an appropriate open performance Management system to cater for all categories of staff (*please refer to performance instruments handbook*).

5. Deadlines

- i. All Performance evaluation forms must be completed by the stipulated deadline (refer to HR Administrator office).
- ii. If reviews are not completed by this deadline, the CEO shall have the authority to consider this as unacceptable performance by the line manager and this shall be taken into account in the assessment of his performance.
- iii. In addition line manager shall complete the evaluation of his supervisee before his own is signed off by his line manager.

6. Distribution

- i. The completed annual performance evaluation form for each staff member shall be part of his official personnel file in each department.
- ii. HR Administrator shall keep the copies of the final evaluation form for all employees in their personal files.

SECTION 4 BONUS POLICY

Policy Statement

A bonus policy is aimed at incentivizing members of staff to work towards attaining more than the planned performance.

Responsibility:

Line Manager shall:

- i. Submit a list of employees whose performance rating qualifies for bonus payment.

HR Administrator shall:

- i. Verify the recommendation submitted by the line manager for payment of bonus.

Procedure:

The policy shall only be applicable after analyzing year end financial performance as follows:

- i. If management has achieved a budgeted surplus as at 31st December of each year, all members of staff will get a bonus equal to their basic salary normally referred to as thirteenth cheque.
- ii. This will be paid in December if the Chief Executive is fully satisfied that the projected surplus to December, 31st will be above the planned surplus.

- iii. If the actual financial performance is more than the budgeted surplus as at 31st December, 15 % of the variance will be transferred to a bonus pot and the difference will be retained for distribution as per MUSCCO by laws.
- iv. The determination of the variance will only be done after the surplus has been confirmed by statutory audit. Distribution of this bonus will be based on year end staff performance appraisals.

4. Non-monetary rewards

- i. Recognition for performance shall not always be monetary.
- ii. Line manager shall acknowledge good performance immediately, providing recognition (public or private) when it is due.
- iii. Furthermore good performance can be recognized by providing training opportunities, increasing the authority of the **staff member**, encouraging more independent action or ensuring that the **staff member is** sufficiently challenged, by providing him with increasingly important and worthwhile work to do, as allowed by the job.

CHAPTER 6: PROFESSIONAL TRAINING AND DEVELOPMENT

SECTION 1 – PROFESSIONAL DEVELOPMENT AND TRAINING

POLICY STATEMENT

MUSCCO shall training and education opportunities to its employees at all levels based on training needs assessment and performance appraisals and the availability of resources in order to improve their performance, develop their talents and potential and ensure succession planning and career progression.

A training committee shall be established to coordinate training process with line manager.

Responsibility

Line management shall:

- i. Have responsibility for mentoring and coaching staff.
- ii. Support the need for continuous learning and individual development as required by each staff member.
- iii. Review with his staff member or employee, at the performance evaluation process, the specific skills necessary for each job and areas where specific training may be needed.

HR Administrator shall:

- i. Prepare and cost a training programme for the employee;
- ii. Assist in providing the necessary logistics for training events.

Procedure

Training Needs Assessment (TNA)

1. Identification of needs

- i. Staff member and employee have the responsibility, in consultation with their line manager, to identify their training needs in relation to their jobs, the strategic and operational goals of MUSCCO and their career aspirations.

- ii. At any point in time, staff members are encouraged to consult with their line manager for advice and assistance on training and development needs, or directly with HR Administrator when this support is unavailable.
- iii. Staff members and employees shall be responsible for submitting to their line manager the necessary requests and appropriate documentation required in connection with their training.

2. Training programme

- i. Line manager shall be responsible for making appropriate recommendations to HR Administrator and/or head of duty station for their supervisee to be considered for specific training.
- ii. Line manager and HR Administrator shall prepare a training programme taking into consideration the financial resources available.
- iii. Line manager shall be responsible for On-the-job training (please refer to On the-job training).
- iv. In the case of long-term training employee shall sign a bonding to ensure that the employee works for MUSCCO for two years after training before leaving.

3. Training budget and Approval

- i. The CEO shall approve a prospective training programme with previous consultation with line manager and HR Administrator, when required.
- ii. The cost of a training programme shall be provided as input for the annual budget process, for it to be formally approved.

4. Training Logistics

- i. HR Administrator will assist in organizing the logistics of training events scheduled throughout the year.

SECTION 2 – ON THE JOB TRAINING

Policy Statement

MUSCCO shall recognize on-the-job training as informal training that takes place while employees are actually working. This shall mean that skills shall be gained while employees are carrying out their jobs.

Responsibility

Line management shall:

- i. Set attainable, measurable yearly goals **with staff and employee** under supervision, based on programme objectives for the year ahead please refer to Performance Management).
- ii. Ensure that each **staff member and employee** have an updated position description (refer to Position descriptions), a performance agreement and is familiar with all standard instructions pertinent to the job.
- iii. Select work assignments that maximize the possibilities for learning by doing.
- iv. Structure assignments and determine the degree of supervision needed, bearing in mind the need to strengthen and develop staff members' judgmental skills.
- v. Coach staff members and employees by helping with difficult work-related problems through discussion and example, providing explanations, if necessary, for decisions taken and ensures that staff members and employees understand the reason for any changes made to their work.
- vi. Use feedback from the performance management process to develop an on the job training programme which best meets a staff member's needs.

Procedure

- i. Line manager shall be expected to assess each staff member's skills, capabilities, potential and development needs with respect to the staff member's assignment and to conduct an effective on the job training programme.

- ii. Line managers shall ensure that the On job training is taking the following forms:
 - i. **Coaching** – where an experienced member of staff shall help trainee to learn skills and processes through providing instructions or demonstrations (or both).
 - ii. **Mentoring** – where each trainee shall be allocated to an established member of staff who acts as a guide and helper. A mentor (line manager) shall offer more technical support.
 - iii. **Job rotation** – Line managers shall at times rotate members of staff in different roles or tasks so that they gain experience of a full range of jobs.
 - iv. **'Sitting next to Nellie'** – Line managers shall at times arrange member of staff with experience or skill in an area to work alongside with those (employees) who do not have such skill or knowledge colleague to observe and learn the skills needed for a particular process.

ADMINISTRATIVE POLICY

CHAPTER 7: PERSONNEL FILES

SECTION 1 - PERSONNEL FILES

Policy Statement

Each appointed employee shall have a personal file which shall be kept in a safe and restricted location to ensure strict confidentiality and respect of personal information. Personnel file remains the property of MUSCCO and employees shall not add, remove or alter documents in the personnel file.

Responsibility

Line management shall:

- i. Ensure that the file information for each staff member under his supervision is treated with utmost respect, privacy and confidentiality.

HR Administrator shall:

- i. Maintain personal files for each staff member
- ii. Ensure that the contents therein are treated with utmost respect, privacy and confidentiality.
- iii. Maintain a staff database with details of name, address, phone number, date of birth, marital status, family members, next of kin, passport number, and bank details.
- iv. Ensure that personnel files comply with employment legislation and practice on information and privacy.

Procedure

1. Maintenance of information

- i. New staff members shall be required to complete form outlining essential personal details.
- ii. If any personal details or situations change, HR Administrator shall be informed so that records can be kept up to date.
- iii. These records form the basis of information that must be provided annually to government authorities.

- iv. MUSCCO may also need this information to contact families urgently.

2. Contents of personal file

- i. Application letter
- ii. Curriculum Vitae
- iii. Copies of academic and professional certificate
- iv. Invitation for interview letter
- v. Interview assessment forms
- vi. Medical certificates
- vii. Confirmation letter
- viii. Promotion letter
- ix. Letter of appointment

3. Request to see information

- i. If a staff member wishes to read his personal file, they will be handed the file in the presence of a member of HR Administrator, and allowed to read it, but not to take it away or remove information from it.

SECTION2 WORK CERTIFICATES AND REFERENCES

Policy Statement

If staff wishes to have a standard work certificate when they leave their employment with MUSCCO, this will be provided by HR Administrator.

Reference

Staff should ask their line manager to write a professional reference for them.

Responsibility

Line management:

- i. Writes professional reference at the request of the staff member.

HR Administrator

- ii. Writes work certificate at the request of the staff member.

Procedure

Staff should preferably request work certificates or professional references before leaving MUSCCO.

SECTION 3 NOTIFICATION OF CHANGES

All employees must notify the head of Administration and Human Resources in writing immediately of any changes regarding the following:

- a. Marital Status
- b. Address of next of kin
- c. Number of children (dependents)
- d. Home based for leave

1. Certificate of Service

Except in the case of dismissal on ground of misconduct, an employee leaving the service of MUSCCO may on request be furnished with a certificate of service on the approved forms.

2. Emoluments

The grant of all emoluments not authorized by these regulation shall cease or be continued only in those cases where the Board is legally liable to do so and not to be continued in respect of new appointments.

3. Allowances for members of the Board

An allowance for Board member of MUSCCO shall be payable in accordance with the schedule established by the Board and approved by the members at Annual General Meeting from time to time.

4. Social and Welfare Activities

Subject to availability of funds MUSCCO may sponsor social and welfare activities of its employees on the following conditions:

- i. The formation of and participation in such activities shall not unduly interfere with the efficient performance of MUSCCO's duties.
- ii. There shall be no abuse of any privilege which MUSCCO may bestow upon participation in such activities.
- iii. That except for employees, who at the material time are performing their duties, such activities shall be far as the workman's Compensation act is concerned.
- iv. MUSCCO employees shall have a fun day on last Friday of every month.

5. Sexual Harassment

To maintain a work environment that is free from intimidation, or harassment, including sexual harassment.

- i. No employee shall take advantage of a work relationship, position or authority through unacceptable sexual advance gestures or sign to a work mate.
- ii. No employee should suffer as a result of not consenting to sexual advance.

Procedure

- i. Any employee who has been sexually harassed shall be free to report the matter to the responsible officers.
- ii. Upon receipt of the complaint the responsible officer shall institute establish the truth or the matter. If the complaint is proved genuine the responsible officer shall effect disciplinary action against the offender.

CHAPTER 8: LOANS AND ADVANCES

SECTION 1– STAFF LOANS AND ADVANCES

POLICY STATEMENT

MUSCCO shall grant loans to its employees and staff members in accordance with the provisions in the Laws of Malawi such (Employment Act 2000).

Responsibility:

Line Manager shall:

- i. Organize that the staff member and employee get reimbursement of the educational/training costs incurred on education loan.
- ii. Make sure that the choice of an education/training course has been communicated in writing to management through HR Administrator.

HR Administrator shall:

- i. Recommend the authorization of advance and loans based on the HR plans.
- ii. All advances shall be authorized by the CEO.
- iii. Follows-up all ongoing loans and repayments.
- iv. Keep file containing the employee's application for educational advances, an approval by management of the same, evidence of advances/loans fully serviced by employee and receipts/invoices evidencing payment.

Finance Manager shall:

- i. Make payments based on the approval of the advances.
- ii. prepare a loan repayment schedule and will ensure the loan is recovered.
- iii. Recommends an adequate interest rate for loans which shall be approved by the head of the duty station

Staff Loans Committee shall:

- i. Develops appropriate Personal Loan Rules for the duty station and submits them for clearance by the CEO at Headquarters and for approval by the CEO.
- ii. Reviews requests for loans and determines their accordance with the corresponding
- iii. Ensures the Personal Loan Rules are adhered to.

Procedure

MUSCCO shall deduct from an employee's wages any amount, except--

- (a) The employee's contribution to a compulsory social security scheme
- (b) An amount to be deducted in accordance with law or a court order: Provided that such deduction shall not be more than one-half of the employee's wages for the period in respect of which the wages are being paid;
- (c) An amount authorized by the employee in writing which is not greater in aggregate to an amount equal to one-half of the wages of the employee and which is due to the employee in respect of housing furnished by the employer to the employee, goods sold by the employer to the employee or any loan or advance on his wages granted by the employer to the employee;
- (ii) The employer has paid or has undertaken to pay in connection with any loan granted to such employee in order to acquire a dwelling or in connection with the hiring of a dwelling or other accommodation
- (iii) The employee owes to a vacation, sick, medical, insurance, savings, provident or pension fund;

- (iv) Is deducted in accordance with section 36 of the Labour Relations Act.

1. Staff Loans

- i. These are medium to long-term loans members of staff borrow to finance assets or pay for long-term school fees (Masters, PHD and other professional qualifications).
- ii. Staff loans shall be used to acquire the following assets:
 - 1) Acquisition of personal vehicles
 - 2) Acquisition of houses, land, or plots to build a house, and refurbishment of houses
 - 3) Acquisition of household furniture
 - 4) Acquisition of shares on the stock market or for an existing or a new business (the credit decision will take into account the risk of borrowing for such purposes as these loans are more speculative in nature and could impact capacity to service the debt).

Period and mode of Repayment

The maximum repayment period will be 36 months. The loans will be repaid on monthly basis, via payroll deduction.

Loan Amount

The amount of the loan shall be based on the repayment capacity, and subject to the following terms:

- i. A fund has been established for staff loans; no one member of staff cannot borrow more than 20% of the approved CFF staff loan fund.

- ii. The current approved loan fund is MK10 million (Ten Million kwacha); the level of the fund shall be reviewed and approved or revised by the Board periodically. The suggested amount for Board approval is MK50 million.
- iii. Loan amounts shall be limited to the accrued terminal benefits or gratuity for each member of staff, less tax and all outstanding obligations.
- iv. Total deductions from salary shall not exceed 60% of basic salary: monthly take home pay cannot be less than 40% of basic salary.
- v. Below is a guide to the maximum loan available to be accessed, by grade:

| GRADE | RANK | MAXIMUM LOAN AMOUNT |
|-------|-------------------|---------------------|
| M1 | Chief Executive | MK20 million |
| M2 | Senior management | MK15 million |
| C | Management | MK 10 million |
| D | Supervisory | MK8 million |
| E | Officer | MK5 million |
| F | Staff | MK3 million |
| G | Support staff | MK2 million |

Interest Rate

Interest is calculated on the reducing balance of the loan, and applied monthly.

Security

Security of the loan will be the asset acquired and the terminal benefits as accrued to the member of staff as at the date the loan is granted.

LENDING LIMITATIONS and LIQUIDITY REQUIREMENTS

To maintain solvency of MUSCCO, when liquid assets are close to minimum policy and regulatory standards for operating liquidity, ALCO will review the liquidity conditions and may recommend a specified period of suspension of lending activities and develop a communication and lending business recovery plan to address the implications of such a suspension. (As well, in keeping with its mandate, it will review the liquidity operating liquidity projections and the liquidity contingency plan and develop appropriate tactics to address the underlying liquidity issues.)

The CEO will approve and communicate the period of the suspension of lending activities and accompanying communication and liquidity plan to the Board of Directors as soon as possible.

LOAN APPROVALS AND COMMITMENT

No commitment to grant a loan, either verbally or in writing, shall be given to any loan applicant until the application has been approved in accordance with this policy.

2. General Purpose Advance

- i. General Purpose Advance can only be granted when one has no other outstanding loan.
- ii. A General Purpose Advance may be granted to meet the specified costs of service or personal needs.
- iii. An application for an advance shall be made in duplicate on the appropriate form and submitted to the Staff Loan Committee (SLC)

- iv. Where the General Purpose Advance is authorized, the employee concerned shall sign in duplicate an agreement with the staff Association in the appropriate form.
- v. The maximum period for repayment shall be twenty four months.
- vi. Interest shall be payable on General Purpose Advance.

3. Emergency Advance

- i. The CEO shall in exceptional circumstances approve an Emergency Advance to any staff member or employee.
- ii. The maximum amount that can be advanced to any staff member or employee shall, under normal circumstances not exceed 50% of the monthly net salary to an employee in emergency situations.
- iii. The staff loans committee may under special circumstances, grant an emergency advance that is in excess of 50% of one's net pay.
- iv. Emergency Advance shall be repaid through monthly salary installment deduction, over a minimum of three months.
- v. This will be treated like a staff loan and will be done according to Central Finance Loans policy.

4. Education Advance

- i. An application for an education advance shall be made in duplicate on the appropriate form and submitted to MUSCCO Staff Loans Committee.
- ii. Where an education advance is authorized, the employee concerned shall sign an agreement with MUSCCO Staff Loans Committee.

- iii. The loans committee, on receipt of the signed agreement form, shall arrange to have the advance paid directly to the staff member and employee concerned.
- iv. The maximum period of repayment shall be twenty-four (24) months.
- v. No interest shall be payable on an education advance.
- vi. An advance shall not be granted to an employee with less than six month' service.
- vii. An advance of salary may be granted to an employee to meet the cost of tuition fees, textbooks and examination fees based on correspondence from institutions approved by secretary for Education and by the employee's responsible officer.
- viii. Advance of salary shall not be authorized in respect of any course or subject unless it is likely to lead an increase in efficiency of the applicant and his usefulness in a post or any future job within MUSCCO.
- ix. The CEO shall not authorize the payment of an advance to an employee unless in addition to other requirement set out in this part, the following requirements are satisfied:
 - i. The applicant's existing education qualifications and services record indicate a probability that he shall complete the course and pass any terminal examinations; and
 - ii. The proposed studies are not likely to interfere with the applicant's normal duties and that he is likely to have sufficient spare time to complete the course within a reasonable time.
- x. The staff member and employee must sign an agreement to repay the advance if he leaves the employment within 36 month of the date of completing the training.

- xi. MUSCCO shall reimburse 50% of tuition costs incurred by the employee upon successful completion of the course leading to the award of the desired qualification and fulfilling conditions set out in the bonding agreement.
- xii. The Staff Loans Committee shall, where an Education Advance is concerned receive a signed agreement, and arrange for the authorized advance to be paid directly to the institution concerned in the manner most advantageous to it.

CHAPTER 9: LEAVE AND HOLIDAYS

SECTION 1 LEAVE

POLICY STATEMENT

MUSCCO shall encourage its employees to go on Leave in order to allow them to rest, replenish and attend to personal issues. Leave shall also help MUSCCO to ensure transparency and business continuity. MUSCCO shall arrange leave manner that shall permit minimum interruption of work schedules and ensuring that staff members are available to cover for their colleagues when they are away.

It is a statutory requirement for the employees to observe public holiday as stipulated in the laws of Malawi.

It is the line manager's responsibility to ensure that supervised staff members plan their annual leave. The procedure set below should be applied provided there is no contradiction with labour laws and the relevant Conditions of Service of the duty station.

Responsibility

Line Manager shall:

- i. Ensures that supervised staff members plan their leave in a way that minimizes work interruption.
- ii. Monitor leave days taken by employees and staff members to ensure that they are within their entitlement.
- iii. Ensure that the leave days are not carried over in the next holiday year without authority.
- iv. Ensure that authorizes have signed leave requests from staff members.
- v. Make sure that each employee and staff member are observing the working hours.

HR Administrator shall:

- i. Make sure that attendance register is being properly managed.
- ii. Keeps a file of leave requests from staff.
- iii. Provides each staff with information regarding the outstanding leave balance before the end of each year and warns staff members that have excess days left.
- iv. At the beginning of the year, provides each staff member with an updated leave balance.
- v. Provides assistance in case of questions, interpretations, pro-rata calculations or special situations.

Finance Manager shall:

- i. Make sure that the grants and allowances have been paid for.
- ii. Provides calculations on the holiday entitlement.

Procedure:

1. Earned Leave

Earned leave shall be accrued at the rate of

- 1) Grade F and E 2.5 days per month
- 2) Grades C and D 2 days per month
- 3) Grades A and B 1.66 days per month

This will exclude fortnightly paid employee whose leave condition are governed by the Employment Act (2000).

- i. No leave encashment or accumulating will be granted in lieu of leave prior to or end of the MUSCCO financial year.
- ii. All members of staff and employees shall be expected to take their accrued leave within the MUSCCO financial year.
- iii. The HR Administrator shall make a proportional deduction from the salary payable to an employee in respect from any period of absence from duty on the part of that employee which is not authorized or excused under this sub-section
- iv. Leave days shall not include Saturdays, Sundays and public Holidays but for the purpose of giving notice on termination of appointment, Saturdays, Sundays, and Public Holidays shall be included in the notice.
- v. The holiday year shall be for period of twelve months (12) following the annual Calendar.
- vi. Where a staff member or employee is terminated his employment with MUSCCO by giving required months' notice, unutilized leave could be taken as forming part of the notice period.
- vii. In the event of an employee leaving MUSCCO's service for any reason whatsoever, including dismissal, MUSCCO shall pay him an amount of salary which would ordinarily have been drawn by him

during the subsistence of any period of leave (except forfeitable leave accumulated by him and standing to his/her credit in register).

- viii. In the event of any employee being promoted to a higher grade, any leave taken in the current year shall be so adjusted to accord with the leave provided in the new grade.
- ix. If an employee dies and has not taken all annual leave which may fall due to the employee in respect of the year in which he dies and any accumulated leave, an amount in cash equivalent to the salary shall be paid, plus any salary due to the deceased at the time of death, such cash payment employee at the date of death.
- x. Any employee who fails to report for work, and does not give any reason deemed as being unacceptable to MUSCCO upon reporting for work, will be judged to have been truant under the terms and conditions of services. Consequently, he shall fall subject to disciplinary action.
- xi. Any employee who resigns or leaves without due notice or is dismissed from his service shall forfeit any leave to which he might otherwise have been entitled.
- xii. In instances where a staff member or employee is granted leave which shall include the salary payable; he may on the last work day before his departure be paid his regular salary, which fall due on the payday.
- xiii. Employees shall apply for leave to be taken in accordance with the leave Roster.
- xiv. Upon receiving approval an employee shall proceed on leave as scheduled, unless otherwise varied by his responsible officer.

- xv. Upon returning from leave, the employee shall formally report to his responsible officer for purposes of recording leave Register.

Leave Grant

- i. Once a year all employees shall be entitled to receive a leave grant which shall be taken when proceeding on leave of not less than 75% of the entitled leave days.
- ii. Leave entitlement will vary from one grade to another and may be revised from time to time by management with approval of the Board to reflect a realistic economic value.
- iii. The following conditions shall make an employee not eligible for the leave grant:
 - i. Employee on training within Malawi
 - ii. Employee on international training shall not accumulate leave grant.
 - iii. In no circumstance shall an employee be paid leave grant without proceeding with a holiday.

Leave Grant Schedule

| GRADE | RANK | Amount |
|--------------|--------------------------|---------------|
| M1 | Chief Executive | |
| M2 | Senior management | |
| C | Management | |
| D | Supervisory | |
| E | Officer | |

| | | |
|----------|----------------------|--|
| F | Staff | |
| G | Support staff | |

2. Sick Leave

- i. Employee suffering from certified occupational sickness or injuries sustained while on active duty, not caused by their own negligence or misconduct will in addition to the provision of this section be entitled to compensation under the workman's Compensation Act.
- ii. Management may give special consideration in addition to the above where the staff member or employee is incapacitated beyond employment.
- iii. Any period of absence arising from injury shall not count against the sick leave provided under this regulation.
- iv. An employee absent from duty owing to illness (which term is deemed to include injury or other disability) shall be entitled to receive his pay in accordance with the following scale:
 - a) Full paid sick leave up to 5 days per year to cover minor ailments
 - b) Staff member who have been in the employment of MUSCCO for more than one year will be entitled to 2 (two) months sick leave on full pay and 2 (two) months on half pay.
 - c) Staff member who has not served MUSCCO for one year, will be entitled to 1 (one) month on full pay month on half pay.
 - d) In instance where a staff member is treated under the workman's compensation Act and, receive an allowance as per Act's regulation for a period of disability and/or, as a consequence, recovers damages regarding the said disability, shall advise

MUSCCO accordingly. - No refund regarding compensation from the act or any wages received by the injured employees will be made to MUSCCO.

- e) MUSCCO may, during any period of sick leave, require the medical doctor nominated by MUSCCO. If, in the opinion of the medical practitioner, the employee is permanently unfit and incapable of performing his duties, or may transmit any ailment likely to seriously impair the health of others, MUSCCO may terminate his services on health grounds.
- f) The provision of sick leave shall cease to apply when an employee has his/her employment terminated on account of ill health. If the services of an employee are terminated on account of ill health, an appropriate notice shall be given in accordance with section 12 of these terms and conditions of service.

3. Special Leave

Special leave on full salary may be granted to a staff member or employee, as follows;

- a) For the purpose of sitting as a candidate at any examination approved by MUSCCO.
- b) For the purpose of undergoing compulsory training
- c) For the purpose of attending meetings or functions of national importance.
- d) For the purpose of attending court as witness.
- e) To cover a period of absence where a staff member or employee is selected for training and participation in sports towards representing the republic of Malawi at international sport fixture. (the provision section are subject to prior approval)

Commented [AM1]: Perhaps a specific leave (Study Leave?) with proper days assigned.

4. Compassionate Leave

- i. Unpaid leave may be granted to a staff member or employee under the following circumstance provided that unpaid leave exceeding 30 days shall have the prior approval of the Board:
 - i. When an employee has established the need to be absent from duty to attend to urgent private affairs. Unpaid leave in this instance can only be used if the employee's annual leave is fully exhausted.
 - ii. When a female employee request a further period of confinement after exhausting the 90 consecutive days paid maternity leave and her normal earned leave.

Commented [AM2]: Compassionate leave not well explained. It will need to be revised. Because the narrative is for Unpaid leave

5. Unpaid Leave

- i. Unpaid leave may be granted to a staff member or employee under the following circumstance provided that unpaid leave exceeding 30 days shall have the prior approval of the Board:
- ii. When an employee has established the need to be absent from duty to attend to urgent private affairs. Unpaid leave in this instance can only be used if the employee's annual leave is fully exhausted.
- iii. When a female employee request a further period of confinement after exhausting the 90 consecutive days paid maternity leave and her normal earned leave.

6. Maternity Leave

- i. The CEO shall, once after every three years grant a confinement benefit of three months leave with full pay to confined female employee provided the employee give a written undertaking to return to her employment after maternity leave.

- ii. This leave could be taken from one calendar month prior to the date of delivery

7. Sabbatical Leave

- i. Sabbatical leave shall not be granted for a period of less than one semester or for a period of more than one year.
- ii. Such leave may not be awarded to the same person more than once in six years and leave time shall not be cumulative.
- iii. A staff member who wishes to pursue advanced study, conduct research studies, or secure appropriate professional experience, shall obtain initial approval from his manager.
- iv. The incumbent should prepare a request for sabbatical leave addressed to the CEO of MUSCCO, which must include the following:
 - a) Purpose of the sabbatical leave request
 - b) Time of leave
 - c) Place of study or research
 - d) Specific theme of study or research
 - e) Explanation of the value of the sabbatical leave to MUSCCO
- v. This shall be done at least six months in advance.
- vi. HR Administrator shall advise the CEO regarding any decision.
- vii. After signed authorization from the CEO, the sabbatical leave authorization must be submitted to HR Administrator for review, filing and follow-up purposes.

End of leave and return to work

- i. MUSCCO intends to benefit from the experience acquired by the staff member, by putting his new skills to the service of the organisation on return.
- ii. Every endeavor shall be made to bring the staff member back to a position at a level equivalent to the one held previously, but it cannot guaranteed that the staff member's prior position shall be available upon return.
- iii. After return to work, the staff member must submit a complete written report on the results and accomplishments of the sabbatical leave, which must include an account of the financial remuneration, if any, received during such leave.

SECTION 2 HOURS OF WORKS

- i. The Board maintains the right to prescribe the hours and days that constitute being on duty, at MUSCCO
- ii. The normal day work shall be eight hours.
- iii. Every staff member and employee shall be on duty during such hours and on such days as prescribed from time to time by the Board.
- iv. There shall be an attendance register for staff in every department in MUSCCO that each employee shall be expected to sign on reporting and knocking off.
- v. All staff members or employee shall be required to devote themselves during the hours of attendance exclusively to the discharge of their official duties.

Emergency Work

- i. In cases of emergency, staff members or employees shall be required to work for such period in excess of normal working hours as will be necessary.

Duties

- i. Every staff member of MUSCCO has an absolute duty to provide the service for which MUSCCO has been established and to exercise due care in the performance of his works.
- ii. The main duties and responsibilities of each staff member or employee are those set out in the job description for his job.
- iii. The Director or any other Responsible Officer authorized by the Director, may, lawfully require any staff members or employee to carry out other duties in addition to those set out in his job description provided that the duties are consistent with objectives of the organization.

SECTION 3: PUBLIC HOLIDAYS

MUSCCO shall recognize the following holidays, regularly scheduled by the Government of Malawi:

| HOLIDAY | DATE |
|---------------------|-------------|
| 1. New Years Day | January 1 |
| 2. Chilembwe Day | January 15 |
| 3. Martyrs Day | March 3 |
| 4. Good Friday | April |
| 5. Easter Monday | April |
| 6. Labour Day | May 1 |
| 7. Kamuzu Day | May 14 |
| 8. Independence Day | July 6 |
| 9. Mother's Day | October 15 |
| 10. Christmas Day | December 25 |

- i. Additional days off may be added if such days are declared national holidays by the Government of Malawi.
- ii. MUSCCO remains open on Eid Ulfitri which is determined upon sighting of the new moon in the month of Ramadan, and employees are paid holiday pay to work on this date.
- iii. If a holiday falls within a period of approved paid leave, the employee will not be charged leave on the holiday. If an employee is required to work on a holiday, he will be offered to take that holiday at another time within the same calendar year subject to her/his supervisor's written approval or receive overtime compensation for working on the holiday.

CHAPTER 9: DISCIPLINE AND GRIEVANCE MANAGEMENT

SECTION 1 DISCIPLINE PROCEDURE

POLICY STATEMENT

MUSCCO shall demand a high standard of conduct and discipline from all staff. Acts of misconducts shall be brought to the attention of the employee in a private discussion by the supervisor. If the offence is repeated, the issue shall be referred to the Disciplinary Committee.

Responsibility:

Line managers shall:

- i. Ensure that minor cases are being dwelt with before they are reported to the discipline committee
- ii. Ensure that discipline related issues beyond his ambit are being reported to HR Administrator.
- iii. Monitor staff under supervision, providing continuous feedback on performance and behaviour.
- iv. Manage the application of a disciplinary procedure

HR Administrator shall:

- i. Advise management on the disciplinary procedures to apply, as appropriate.
- ii. Ensure all disciplinary procedures comply with employment laws.
- iii. Ensure that all discipline issues are kept in confidential personal files which shall be up to date.
- iv. Ensure that discipline and grievances procedures are being followed and implemented fairly.
- v. Represent MUSCCO in appeal cases before the tribunal.

Disciplinary Committee shall:

- i. have the power to hear disciplinary cases and make recommendations to the chief executive.

Procedure:

Warnings

- i. A first warning shall remain on file for three years.
- ii. If there have been on other warnings, it shall then be removed from the file to give the employee a clean record.
- iii. A second or third warning will remain permanently on personal file.
- iv. A person who has received three written warning shall be terminated immediately with pay and terminal benefits in lieu of notice, if he is not terminated in accordance with relevant provision.
- v. All acts of misconduct handled by the disciplinary committee under this section must be reported to the CEO without delay.

Acts of Misconduct:

- i. Being absent from work without permission.
- ii. Willfully failing to perform duties assigned, disobeying instructions, carelessness or negligence or continued inefficiency in the performance of duties.
- iii. Working counter to established policies or in direct conflict with supervisory directives or subverting recognized channel of communication to appeal to Senior Management or Board of Members.
- iv. Insubordination, refusal to obey instructions from superiors or discourtesy toward fellow employee.
- v. Behaving in a disgraceful, immoral, improper, or unbecoming manner, or being insulting or discourteous while on duty.
- vi. Using his position in MUSCCO to further personal interests or to gain personal privileges from associates of the same or the opposite sex.
- vii. Suffering pecuniary embarrassment which may interfere with performance of duties.

- viii. Committing an offence indictable by court of Law in Malawi.
- ix. Making false claims or acting in a fraudulent manner.
- x. Failure to disclose previous conviction.
- xi. Failure to account for MUSCCO's funds in his possession.
- xii. Contravention of condition of service of MUSCCO.

Acts leading to immediate suspension without pay:

- i. Reporting for duties under the influence of intoxicating liquor or habit-forming drugs.
- ii. Disclosing confidential information without authorization.
- iii. Receiving bribes/gratification from any person or institution for services provided while working for MUSCCO.
- iv. Engaging in secondary occupation or undertaking which conflicts with purposes of MUSCCO or interferes with jobs responsibilities.
- v. Failure to take reasonable care of property of MUCCO/ SACCOS under his control. This particularly applies to use of all motor vehicles, motor bikes and computer hardware and software.
- vi. Issuing a cheque for service which are not provided for.

Suspension:

- i. Suspension of an employee requires the approval of the CEO who shall consider the duration of the suspension, not to exceed one month.
- ii. All cases of suspension must be documented and placed in the employee's personnel file.
- iii. A second offence of the same nature is enough ground for immediate termination without notice but with salary in lieu of notice.

Immediate termination/Summary Dismissal

- i. Misappropriation of funds, conversion or conniving with creditor's misuse of MUSCCO/SACCO properties under his or her control.

- ii. Destroying, altering or concealing records.
- iii. Committing any of the following offences or being convicted by a court of Law:
 - a. Extortion, bribery, theft, receiving stolen property, fraud, forgery or knowingly passing a forged document.
 - b. Taking part or assisting in any activity subversive to the Government of the Republic of Malawi.
- iv. In the above cases, the employee shall be suspended without pay until the investigation is completed by the Disciplinary Committee.
- v. If found innocent, he shall be reinstated with a full restitution of salary and benefits but if found guilty he shall be charged with gross misconduct or through trial in a court of law, summary dismissal shall be immediate and/or retroactive to the date on which the offense was committed).
- vi. Willfully supplying false, misleading or incomplete information to secure employment with MUSCCO.
- vii. Willfully committing other acts which are disloyal to, or may damage the reputation of MUSCCO or any of its members.
- viii. Recommendation for termination for cause must be fully documented and approved by the chief executive before implementation.
- ix. Termination for cause is considered gross misconduct and shall be without notice but with salary in lieu of notice.
- x. The CEO shall report such cases to the Board.
- xi. All termination for cause shall be fully documented in the employee's personal file, with material made available to the labour office as required.
- xii. The Board is responsible for personnel matters relating to the CEO.
- xiii. Any actions taken with respect to performance reviews, salary adjustment, etc. shall be reported to the Board in a camera session.

Penalties

- i. The following penalties shall be imposed by the Board for any act of misconduct as an alternative to dismissal or termination of service:
- ii. Surcharge with the amount or lesser amount as the Board may determine if at any time MUSCCO revenues sustain a loss by reason of negligence or fault (other than fraud or theft by an employee charged with the responsibility of looking after such monies or revenues).
- iii. Written caution or severe reprimand.
- iv. Non-award of the employee's salary increment due the employee.
- v. Reduction of the employee salary and /or grade by the extent so determined by the Board.
- vi. Transfer of the employee to another post of the same grade.
- vii. Discharge or requested resignation of the employee from the management as from the date to be specified by the Board.

SECTION 2 GRIEVANCE PROCEDURE

Policy Statement

MUSCCO shall ensure that members of staff and employees are given a fair hearing by immediate supervisors or manager concerning any disciplinary case against them, and have the right to appeal to a more senior manager against decisions made by their supervisors/line manager. Further, MUSCCO shall ensure that disciplinary action taken against employee shall be demonstrably fair and consistent with previous actions in similar circumstances.

Procedure:

1. The Board Shall:

- a. Endorse the disciplinary and grievances procedures, including any necessary amendments.

- b. Monitor the implementation of the disciplinary and grievances procedures.

2. The chief executive shall ensure that:

- a. The policy is professionally implemented.
- b. Appropriate procedures and guidelines exist and are being complied with.
- c. Any need for change to the policy is promptly brought to the attention of the Board for approval/endorsement.
- d. Manager shall be both approachable and visible; and that emphasis is placed on teamwork and cooperation.
- e. Manage meeting shall held as often as possible to iron out disagreements.
- f. Up-to-date Terms and condition of service (TCS) are published and available to all members.
- g. All disciplinary cases are handled fairly but firmly.

3. Head of department shall ensure that:

- a. They foster an atmosphere of mutual trust with staff members
- b. They make prompt decisions on their employees
- c. All disciplinary cases emanating from their department are promptly brought to the attention of the CEO.
- d. Periodic departmental staff meeting are held

4. All employees shall :

- a. Be well informed of the TCS affecting their employment
- b. Have the right to be given a fair hearing by their supervisor/manager.
- c. Seek redress on issues affecting their grievances from higher authority.
- d. Be encouraged to, if possible, first try and settle his problems informally with the employee with whom he has a grievance.
- e. Refer it to his supervisor of the section for a resolution if disciplinary case remains unresolved.
- f. Refer the matter to the next level supervisor, if he is not satisfied with decision by the immediate supervisor.
- g. Get the communication of decision made by next level supervisor within two working days to resolve the matter.
- h. At the same time be informed of the nature of any action to be taken in respect of himself or any other employee to his problem. If the matter remains unsolved, the employee may refer it to the next level of management and the procedure laid down in (f) and (g) above shall be repeated.
- i. The employee is entitled to appeal until the CEO is reached.
- j. Employees may also appeal up to Board level.
- k. The decision of the Board is final.
- l. However the employee has the right to take the case further to other tribunal hearing as stipulated in the Labor Relations Act1996.

5. Groups of Employees

- i. Where a problem is common to a group of employee in the same section, the same conditions given for individual employees shall apply, except where the group comprises more than three (3) employees, then three (3) of the group shall be elected as representatives to attend meetings.

6. Unionized Employees

- i. MUSCCO shall deal directly with unionized employee through their representative.
- ii. Only issues of collective nature shall from subject matter for unionized employees and management.

CHAPTER 10: TERMINATION/REDUNDANCY

SECTION 1 TERMINATION

Policy Statement

A staff member's and employee's employment shall normally end at the agreed date defined in the contract. However, it may be terminated beforehand by either party, by providing a termination notice. The notice period shall comply with employment legislation and it should be specified in the staff member's contract and/or the Conditions of Service.

A staff member may request, in the case of termination by MUSCCO, a reduction of the notice period without pay.

Responsibility

Line management shall:

- I. Set expectations for performance and conduct and informs staff and employee of their status.
- II. Identify documents and an attempt to correct problem situations, reporting to HR Administrator any continuing performance or conduct that is of concern.

HR Administrator shall:

- I. Ensure these procedures comply with Conditions of Service and labour legislation.
- II. Acknowledge resignations and issue notices of termination in all cases.
- III. In all cases of contract termination by either party, HR Administrator shall hold an exit interview with the staff member and employee to assist with insurance issues and administrative procedures.

Procedure

Voluntary termination procedure:

- i. An employee confirmed in his appointment shall terminate his service by giving at one month of the intention to resign before the planned time of departure.
- ii. An employee shall be entitled to full pay and benefits plus payment of unused leave.
- iii. If notice of less than one month is given, MUSCCO will deduct from any compensation due to him the difference between the notice actually given and the amount required.
- iv. Should the staff member and employee wish to terminate the contract, he shall submit a letter of resignation to the head of the duty station, duly copied to HR Administrator.
- v. The normal notice period shall be worked unless a different agreement has been reached between the staff member and the line manager.
- vi. The line manager shall have the authority to require the employee concerned to work during the full notice period in order to finalize essential tasks.
- vii. HR Administrator will acknowledge the letter of resignation.

Involuntary termination procedure

- i. **Probationary period**
 - a. MUSCCO shall terminate a contract of employment during the probation period. (please refer to appropriate procedures probationary period).
- ii. **Inappropriate professional behavior**

- a. MUSCCO shall to terminate an employment contract due to inappropriate professional behaviour. (please refer to procedures are specified in disciplinary procedure).

iii. Unsatisfactory performance

- a. Performance management provides the means to identify and deal with unsatisfactory performance (refer to performance management).
- b. Continued unsatisfactory performance can form the basis for termination of an employment contract.

iv. Redundancy

- a. If for reasons of economy, MUSCCO shall reduce staff
- b. Those involuntarily terminated shall be given 30 days' notice and all benefits.
- c. If notice of less than 30 days is given, the employee will be paid one extra month of basic salary in addition to all benefits due.
- d. Such benefits shall include a maximum 3 years averaged salary, less obligation.

Please refer to section on redundancy for procedures.

v. Ill health

- a. If an employee has exhausted paid and unpaid sick leave and is still unable to work, CEO shall request a report from a registered Medical Practitioner to determine whether or not terminate the service of the employee.
- b. MUSCCO shall pay all benefits due plus any gratuity that shall be authorized in relation to the employee's years of service

- c. MUSCCO shall terminate employment of a staff member and employee for reasons of ill health and can only be effected when it is established by conclusive medical evidence that he is incapacitated for further service.

Termination of employment for cause

- a. MUSCCO shall terminate the contract of the employee with or without previous warning for termination. In such cases, no advance warnings are required.
 - i. The employee shall be entitled to be paid for unused leave benefits and salary to date of release, less advances, loans, travel imprest or other indebtedness to MUSCCO.
 - ii. Settlement shall be after the employee has returned over all keys and properties in his/her possession belonging to MUSCCO.

SECTION 2 REDUNDANCY

Policy Statements

MUSCCO shall perceive redundancy as a situation whereby job (s) are being cut because of financial reasons or restructuring.

Responsibility

Line management shall:

- I. Identify potential redundancy situations.

HR Administrator shall:

- I. Analyses all possibilities available to avoid redundancy cases.

- II. Ensure that procedures comply with Conditions of Service and labour legislation.
- III. Hold exit interviews with terminated staff members to assist with insurance issues and administrative procedures.

Procedure

1. Preliminary considerations

- i. In case of an anticipated surplus in staff, the following actions shall be carefully considered beforehand:
 - a. Reducing overtime work.
 - b. Reducing or eliminating contracts with temporary and contract personnel (consultants).
 - c. Curtailing recruitment in categories affected.
 - d. Transferring staff members to suitable alternative work.
- ii. When the actions described above fail to fully resolve the surplus situation, one or more staff be become redundant.
- iii. Employee holding fixed-term or indefinite contracts shall be given the opportunity to apply and shall be considered for transfer to vacancies, for which they are suitably qualified, at the duty station concerned or at other duty stations
- iv. Employee shall be invited to volunteer for redundancy job-sharing or part-time employment arrangements can be considered;
- v. if there is still need to reduce numbers, individual staff members and employee whose retention is impracticable in the judgment of the CEO and the head of the concerned duty station, shall be informed; as early as possible, an announcement by the line manager and HR Administrator shall be made in

person to the staff member concerned. Normally, a letter in which the terms of the redundancy are laid out shall follow this meeting.

- vi. The notice period will be served as specified in the Conditions of Service and employment laws.

Selection Criteria

- i. The basis of selection of staff to be made redundant shall be determined by the needs of MUSCCO, bearing in mind the need to maintain an efficient balance in the labour force.
- ii. The following steps shall be taken where practicable, according to the number and type of staff and employee, to ensure fair and consistent treatment:
- iii. MUSCCO shall select employees for redundant based on a fair and legal procedure.
- iv. MUSCCO shall consider the actual position which shall be made redundant rather than an individual, as this shall eliminate any element of discrimination.
- v. MUSCCO shall follow the following the criteria:
 - I. First in First Out (FIFO)
 - II. Last in First Out (LIFO)
 - III. Performance Appraisal Results (PAR)

Consultation

- i. MUSCCO shall inform Trade Union and Ministry of Labour if the employee to be made redundant is twenty (20) and above.
- ii. If the employees are less than twenty (20), MUSCCO shall consult the Trade Union only.
- iii. MUSCCO shall hold a meeting with the employee to discuss the redundancy – at which the employee has the right to be accompanied. Notify the employee of the decision and the right to appeal.

Announcement

- i. MUSCCO shall make a general announcement of impending redundancy to employees through briefing sessions.

Notice

- i. MUSCCO shall write to the employee notifying them of the reason for the redundancy and invite them to a meeting to discuss the matter.
- ii. MUSCCO shall inform the individuals' ear marked for redundancy through written one (1) month notice.
- iii. In lieu of notice, MUSCCO shall pay redundant individuals who have served for a minimum of three (3) years a three (3) month salary, severance allowance and benefits which are due.

Hearing Sessions

- i. MUSCCO shall hold a meeting with the employee to discuss the redundancy – at which the employee has the right to be accompanied by a line manager, Trade Union Officer.
- ii. MUSCCO shall notify the employee of the decision and the right to appeal.

- iii. MUSCCO shall ensure that the redundant individual has the right to be heard with respect to his concerns and grievances.

Response to Notice.

- iv. Employees shall be required to respond to notice within a period of 14 days if the period expires without getting the response, MUSCCO shall proceed with the redundancy process.

Compensation

- i. MUSCCO shall endeavor to offer an appropriate compensation package depending on the financial resources available.
- ii. The Conditions of Service will outline the details and employment law will be adhered to.

CHAPTER 11: RESPONSIBILITIES OF STAFF MEMBERS

SECTION 1 OUTSIDE MUSCCO ACTIVITIES

Policy Statement

MUSCCO shall acknowledge outside activity as any work or service that is not considered part of a staff member's official duties. Employees shall engage in such activities provided that no actual or potential conflict of interest or appearance of such exists, and such activity does not adversely affect their ability to perform their jobs.

Responsibility

Line management shall:

- i. Analyse and approve any request from staff to engage in outside activities.
- ii. Ensure that no outside activity is to take place within working hours.

HR Administrator shall:

- i. Advise management on procedures to apply, as appropriate.
- ii. Keep all the application and decision made by the management in employees files

Procedure

- i. Any outside activity of staff must be carried out under the Terms and Conditions of Service that are appropriate to their employment with MUSCCO.
- ii. MUSCCO recognises that professional competence can be enhanced through related outside activities, for example, teaching assignments at universities, lecturing, banking and financial consultancies, Information Technology consultancies etc.

1. Request and approval

- i. Staff members shall require an approval for outside activities that meet the following minimum conditions that they shall:
 - a. be compatible with behaviour appropriate to his employment with MUSCCO;
 - b. not interfere with the work of the staff member, nor shall with his ability to accept any new assignment which management requires the staff member to assume;
 - c. neither continuous nor recurring, or they take place outside working hours or while the staff member is on leave.
- ii. Approval shall be required for activities that do not meet the above minimal conditions.
- iii. For approval, the staff member shall submit a written request to the line manager containing a full description of:
 - a. the nature of the activity,
 - b. location and
 - c. duration of the activity,
 - d. compensation to be received, and
 - e. any other pertinent information.
- iv. Management shall inform the staff member the decision with regard to his request within one week.
- v. If the request is rejected, the staff member shall be informed of the reasons.
- vi. All requests from staff shall be copied to HR Administrator for filing.

- vii. If the request for outside activities is approved, this approval can be considered as a basis for granting special leave with or without pay, as appropriate, if such leave is necessary for the conduct of the outside activity.
- viii. For approved requests to perform outside activities that involve participation in forums:
 - a. staff members and employees are still expected to avoid public statements of a controversial nature, particularly insofar as these may relate to national policies and interests.

CHAPTER12 STAFF ALLOWANCES

SECTION 1 SPECIAL POST ALLOWANCE

Policy Statement

MUSCCO shall pay different forms of allowances apart from salaries to employees to compensate them financially for engaging in extra activities outside or within normal working hours, contract or job description.

Responsibility

The Board shall:

- i. Approval the appointment of the acting CEO

HR Administrator shall:

- i. Request for granting an acting appoint to the Board
- ii. Examine the case and recommend approval, specifying the amount to be provided as Acting Allowance.
- iii. Make recommendation of the appointment of the Acting officer.

Procedure:

1. Administrative Allowance

- i. Each recommendation for the granting of an SPA should be supported by the following information:
 - a) Description of the circumstances for the temporary assignment.
 - b) Justification for selecting the staff member for the assignment.
 - c) Proposed duration of the assignment.
 - d) Indications of when the post shall eventually be filled or when the incumbent's functions are back to normal.
- ii. To cater for instances where one of the senior managers is appointed to undertake administrative responsibilities in a more senior position.
- iii. An allowance shall only be paid to the employee when in post as acting CEO.
- iv. The allowance shall be the difference between the entry point of the incumbent's position
- v. Any one acting in the position for a minimum period of one month shall be paid the allowance.

2. Effective date of the SPA

The SPA is generally payable from the day the staff member started the assignment.

3. Discontinuation of the allowance

- i. The SPA shall be discontinued whenever the circumstances justifying the payment cease to exist.
- ii. When an SPA is discontinued, the staff member shall revert to his regular salary level effective from the date on which the staff member ceased the assignment.

2. Daily Subsistence Allowance(DSA)

- i. DSA shall be paid to cater for instances requiring money that is not adequately taken care of by an employee's salary, while he shall be on duty or on a course of instruction sponsored by the employer.
- ii. DSA shall be paid to employees working outside their duty station for over a minimum of 6 hours.
- iii. The amount payable shall be calculated in segments of the employee's grade.
- iv. DSA shall be dependent of the employee's grade.
- v. DSA shall be paid before the employee embarks on his tour of duty.
- vi. Any differences in day(s) estimates and amount of allowance initially paid to the employee shall be reconciled upon the employee's return from his tour of duty.
- vii. Prior approval shall be required for extension of time outside the duty station.
- viii. Employees shall not be required to furnish any receipts of payment made with respect to DSA.
- ix. DSA shall cater for meals and other incidentals.
- x. If it is full board accommodation, the employee will get an equivalent of a meal allowance per day for his/her incidentals.

The rates shall be approved by the Board Committee responsible for staff matters.

- i. Procedure for getting an allowance for International travel
- ii. All international travels shall be sanctioned by the CEO

- iii. An employee intending to travel in or outside Malawi shall seek permission from the CEO who shall approve it if it was budgeted for.
- iv. Upon receipt of approval the employee concerned shall forward the necessary document to the Head of Finance for certification of availability of funds.
- v. When funds have been paid the employee shall proceed on his trip.
- vi. Upon his return from the trip, the employee shall be required to submit a report to the Chief executive within 5 working days after return from the trip.
- vii. A schedule of allowances applicable to International travels will be approved by the Board from time to time.

| GRADE | RANK | Daily Allowance per night(Local) | Subsistence per night (International) |
|-------|-------------------|----------------------------------|---------------------------------------|
| M1 | Chief Executive | | |
| M2 | Senior management | | |
| C | Management | | |
| D | Supervisory | | |
| E | Officer | | |
| F | Staff | | |
| G | Support staff | | |

3. Transfer Allowance

- i. MUSCCO shall provide assistance to staff to relocate to assigned duty station in moving their household effects.
- ii. The allowance shall be based on the actual billed cost of packing, shipment and insurance of household items from the last duty station.
- iii. The employee shall also be given supper and meal allowances on the day of the relocation within Malawi.
- iv. A spouse and three children shall get half of the employee's meal allowances each.
- v. The employee is also entitled to six days subsistence allowance to look for a house where he/she has been posted.
- vi. The organization will not provide assistance to new recruited staff to relocate to assigned duty station.

Relocation Allowance Schedule

| GRADE | RANK | Transfer allowance | Meals allowances | Allowance to spouse | Allowance up to (3)dependents |
|-------|-------------------|--------------------|------------------|---------------------|-------------------------------|
| M1 | Chief Executive | | | | |
| M2 | Senior management | | | | |
| C | Management | | | | |
| D | Supervisory | | | | |
| E | Officer | | | | |
| F | Staff | | | | |
| G | Support staff | | | | |

SECTION 2 – TRAINING AND CONSULTANCY

POLICY STATEMENT:

Malawi Union of savings and Credit Cooperatives Limited (MUSCCO) through its Business Development Department develop and deliver various training programs aimed at developing SACCO personnel capacity.

Of late MUSCCO training programs have been patronized by other non MUSCCO members. At times MUSCCO has been requested by other cooperatives movements outside Malawi to develop training materials and deliver training sessions on the same to such countries cooperators

Policy Objectives:

- i. To encourage MUSCCO personnel to aggressively sell out MUSCCO training and consultancy services
- ii. To motivate MUSCCO personnel to approach training facilitation and consultancy business minded.
- iii. To invoke a business minded approach to training and consultancies.

Local Training and Consultancy

- i. When a MUSCCO employee initiates a need which result into a training or consultancy activity which will attract a fee to MUSCCO, the employee sourcing out this training or consultancy will get 35% of the fee/s collected while MUSCCO gets 65%.
- ii. This fees distribution arrangement shall not operate on MUSCCO regular training programs.

1. International Training and Consultancy

- i. When a MUSCCO employee sources a training or consultancy outside the country, 60% of the fees will go to the individual and 40% will go to MUSCCO provided that:

- i. The assignment does not fall within the employees job description
 - ii. The assignment is not channeled to the concerned employee by a client
 - iii. The assignment is a new area of consultancy rather than an off shelf or a repetition of the similar or the same.
- ii. If MUSCCO sources out a training need or consultancy outside the country and requests the services of its employee/s, the employee/s will get 50% of the fees while the organization will take the 50% remaining.

SECTION 3 COMPENSATION FOR INJURIES SUSTAINED ON DUTY

Workmen's Compensation Act

- i. All employees, under the Revised Workmen's Compensation Act No. 21 are entitled to the benefits provided by the Act.
- ii. Benefits are laid down in the Workmen's Compensation Act or any of its amendments and comprise in the main payment of compensation.
- iii. MUSCCO subject to the provision of the Act and provided that the accident is not attributed to the serious and willful misconduct of the employee or contravention of the employee for loss of earnings whilst from work and for the extent of disability of incapacitation sustained temporarily or permanently.

Group Personal Accident Insurance

- i. Employees will be covered by Group Personal Accident Insurance Policy.
- ii. This will also cover serving Board of Directors.

Life Cover

- i. The board of directors will operate a scheme of Life Cover in respect of all employees covering risks against death through any cause whatsoever except suicide. Scheme rules will apply.

SECTION 4 PENSION AND GRATUITY

1. Pension

- i. All appointments on the MUSCCO establishment except for the position of senior management shall be on pensionable terms (*please refer to the grading schedule*).
- ii. Those senior managers shall be on contract ranging from 3-5 years. People in the supervisory grade and projects might be appointed on contractual terms on approval by the CEO or if the project so specifies.
- iii. Pension Act defines the minimum pension contributions that the employer and employee must pay into the pension fund.
- iv. According to Section 12(1), MUSCCO and employee are required to contribute 10 and 5 per cent of their salaries, respectively, towards the pension fund.
- v. In compliance with Subject to Section 10, MUSCCO shall make provision for its employees except those on contract to be a member of the National Pension Scheme.

2. Gratuity

MUSCCO shall define Gratuity as a part of salary that shall be received by an employee from his employer in gratitude for the services offered by MUSCCO.

- i. For employees on contract, after a full term of satisfactory contract service shall be entitled to gratuity earned during the period of service.
- ii. The gratuity earned during the period will be invested in high interest earning deposit accounts or might be managed by investment management organizations so that the earned amounts do not lose value.
- iii. Gratuity earned plus interest will be given to the employee upon successful completion of the contract or subject to provisions below.
- iv. If due to illness, death or medically certified disability, or on termination of his/her service other than by dismissal, he/she shall leave office before a complete full satisfactory term of contract service, he will be entitled to the full rate of gratuity of 10 percent of gross salary earned during the period of his/her service as if had completed a full satisfactory term of contract service.
- v. If however, he voluntarily resigns his/her office before completing a full term of his/her contract shall not be paid any gratuity.
- vi. Except in the case where he resigns on completion of 24 months or more but less than 36 months, he/she will be entitled to a gratuity at the rate of 15 percent of gross salary received during the period of service.
- vii. The gratuity will be subject to the provisions of the Tax Act applicable at time of terminating the contract unless the contract specifically excludes the responsibility of paying tax from the owner of the contract as a benefit.
- viii. In this case, MUSCCO will pay tax on the gratuity on behalf of the employee while the employee gets non taxed amount.
- ix. Any sick leave of more than 30 days in aggregate during the period of contract will not qualify for the determination of gratuity.
- x. Those who are on pensionable terms, but have failed to complete the contract due to illness, death or medically certified disability, or on termination of his/her service other than by dismissal, may opt for gratuity.

CHAPTER 13 ASSET MANAGEMENT

SECTION 1: MUSCCO VEHICLE USAGE

POLICY STATEMENT:

The overall objective of a disposal policy is to provide guidance for a systematic, consistency and transparent manner in disposing obsolete or written off organizational assets.

Procedure:

- i. Senior manager (E&F) shall be entitled to organizational vehicles as defined in their employment contracts with MUSCCO.
- ii. The senior managers shall be provided with fuel subsidy to support home to office travels.
- iii. All other vehicles are considered as pool vehicles.
- iv. The CEO shall however, allocate a vehicle to an officer in grade D based on the nature of the job.
- v. The vehicles in both cases are supposed to be properly taken care of in order for the organization to derive maximum benefit from these assets.
- vi. Any employee being assigned MUSCCO vehicle shall be required to sign a MUSCCO Vehicle Usage Policy.
- vii. All pool vehicles shall be parked at MUSCCO offices after daily use.
- viii. CEO shall put exceptions in Regional Offices where the MUSCCO may have no safe parking area.
- ix. CEO or any Senior Manager acting on his behalf in his absence shall approve for the vehicles for the Regional Manager to park the vehicle at his house daily after use.
- x. Daily use of the vehicles shall be supported by properly approved requisition forms.

- xi. Log books shall be signed and authorized before and after using any of MUSCCO vehicles.
- xii. Any damage to the vehicle whilst being used for MUSCCO or personal business shall be reported to the Head of Finance and Administration on arrival at the office.
- xiii. The Head of Finance and Administration should inform the insurer within 24 hours from the time the damage/accident took place.
- xiv. Abuse of MUSCCO vehicles shall be deemed as a misconduct calling for disciplinary measures against the perpetrators.
- xv. Accidents shall have to be reported immediately after the accident has occurred and written report to follow upon handing over the vehicle.

SECTION 2 MOTOR VEHICLES DISPOSAL

Procedure

1. MUSCCO Vehicles

- i. Disposal should be after five years
- ii. To be redefined between pool vehicles and allocated vehicle
- iii. MUSCCO vehicle shall be due for disposal if it has:
 - a) clocked a mileage of 150,000 km or
 - b) been used for five years (which ever of the two occurs first)
- iv. If MUSCCO cannot afford to purchase another vehicle – this has to be defined

2. Procedure for disposal

- i. MUSCCO vehicles will be sold through an open tender to
 - a) MUSCCO staff and or.
 - b) General public

- ii. Where a vehicle is to be sold to members of staff, priority will be given to the one officially entitled and assigned the use the company vehicle.
- iii. In this case prior to disposal, the vehicle will be taken for valuation by reputable Car dealers.
- iv. MUSCCO will then offer the vehicle to the officer at **40% of the market price** as valued by the car dealers.
- v. If the officer who was entitled to the vehicle fails to buy the vehicle, it will then be floated for bid on open tender to all members of staff with the **40% of the market price** as a reserve. This will also apply to pool vehicles.
- vi. Where the vehicle is to be sold to the general public, an open tender/bid process will be followed.
- vii. The vehicle will be advertised in the local newspapers for the public to express their interest through bidding. MUSCCO will reserve the right to make a final decision on the sale.

SECTION 3 FURNITURE

SECTION 3 ASSET DISPOSAL

FURNITURE AND EQUIPMENT

Procedure

- i. These will be sold after expiry of their useful life which is estimated as follows:
 - a) Equipment (computers, Printers, fax e.t.c) when they are 3 years old
 - b) Furniture when they are 10 years old
- ii. Furniture and equipment will either be sold to MUSCCO staff or SACCOs through an open tender/bidding process.
- iii. In both cases, reserve prices will be fixed by qualified valuers.

- iv. The offer will be awarded to the highest bidders.

MUSCCO INSTITUTIONAL BUILDINGS

Procedure

- i. Buildings have an expected useful life of 50 years.
- ii. In the event that MUSCCO is to sell an institutional building, an open tender/bid process by the general public shall be followed.
- iii. The reserve price shall be fixed by qualified property valuers.
- iv. MUSCCO shall reserve the right of offer to the bidders.

PAYMENT FOR THE DISPOSED ASSETS:

- i. In all cases above, payment mode is cash or bank certified cheque within 14 days from the date of offer.

CHAPTER 14 HEALTH AND SAFETY

SECTION 1 HEALTH AND SAFETY

POLICY STATEMENT

The working environment shall support effective and efficient service delivery while, as far as reasonably possible, taking employees personal circumstance, including disability, HIV and AIDS and other health conditions into account

Procedure

The CEO shall establish and maintain a healthy work environment for MUSCCO employees based on the principle stipulated below:

10.2 HIV/AIDS and related disease

Occupational exposure

The chief Executive shall:

- Identify units or employees that, due to the nature of their work, are high risk of contracting HIV and other related diseases; and take reasonable steps to reduce the risk of occupation exposure to HIV and such diseases;
- Take all reasonable steps to facilitate timely to voluntary counseling and testing (VCT) and post exposure prophylaxis in line with prevailing guidelines

and protocols for employees who have been exposed to HIV as a result of an occupational incident; and,

- If the testing referred to above indicates that an employee has become HIV-positive as a result of the occupational incident, ensure that the employee is given all necessary assistance as provided for in

MUSCCO's HIV/AIDS Workplace Policy.

Non-discrimination

The Chief Executive shall:

- Ensure that no employee or prospective employee is unfairly discriminated against on the basis of his/her HIV status, in any employment policy or practice; and
- Take appropriate measure to actively promote non-discrimination and to protect HIV-positive personnel from discrimination.

HIV Testing

The CEO shall encourage VCT for HIV and/or other related health conditions and, wherever possible, facilitate access to such service for employees.

Confidentiality and disclosure

All employees shall treat information on an employee's HIV status as confidential and shall not disclose that information to any other person without the employee's written consent.

Health Promotion Programme

The CEO shall:

- Introduce appropriate education, awareness and prevention programmes on HIV/AIDS and other sexually transmitted infection (SDIs) for employees, and where possible ,their families;

- Mainstream HIV/AIDS issues into on-going programs of MUSCCO
- Create mechanisms within the workplace to encourage openness, acceptance, care and support to the infected and affected employees.

Monitoring and Evaluation

The CEO shall introduce appropriate measures for monitoring and evaluating the impact of HIV/AIDS as well as the health promotion programs on human resources.

CHAPTER15: WORK ETHICS

SECTION1: WORK ETHICS

POLICY STATEMENT

The dress code at MUSCCO shall be informal but smart. Members of staff and employees shall expect to present a neat, well-groomed appearance and to avoid extremes. Dress shall

demonstrate a professional attitude to work and reflect well on the organisation when we have visitors. Similarly, staff is expected to maintain neat and professional workstations.

Responsibility

Line manager shall:

- i. Ensure that the employee's attendance to work is not truant.
- ii. Ensure that the employees are reporting for duties all the time, including when they are called to work during odd hours.
- iii. Ensure that the employees keep their work stations tidy all the times.
- iv. Ensure that the employees are neat, presentable and maintain a standard of dress, and are well groomed all the time.

HR Administrator shall:

- i. Ensure that the staff attendance registers are kept in a safe place.
- ii. Ensure that the staff register is kept where all the employees can access it.
- iii. Ensure that all members of staff are signing in and out in the staff attendance register at all times.
- iv. Put in place mechanism to ensure that no employees are not co-signing for the other employee in the staff attendance register.

Procedure

Hours of Work

- i. MUSCCO's regular office hours are 7:30 to 12:00 and 13:00 to 16:30, Monday to Friday.
- ii. Messengers and security staff shall be prescribed with their own work schedules.
- iii. Regular offices staff shall not be allowed to travel in the course of their work.

- iv. Staff who regularly travel in the course of their work are not required to observe this schedule, provided that they file a work schedule in advance to indicate where they will be and have advised the Receptionist in the office (Head office or regional) where they will be during the time they are not in the office.

Compensatory time

- i. Personnel in salary levels A to G are expected to be on duty during MUSCCO's regular office hours, except when travelling or on country assignments the compensation system recognizes that personnel in these positions may be required to work well beyond normal office hours in the regular performance of their duties.

Staff attendance records

- i. Supervisors must make sure that their staff members are aware of their responsibilities and when they are supposed to be on duty.
- ii. People who are habitually late create a bad image of MUSCCO and place an extra burden on their fellow workers.
- iii. Employees who are late more than twice in a month without a reasonable excuse are tardy in their duties and shall be given a written warning as provided under the relevant

section of these Terms and Conditions of Service. Three such warnings are adequate grounds for termination.

Employee absence

- i. Employees absent from work for any reason must complete a report of absence from immediately upon their return to work and submit it to the supervisor. This applies to absence whether illness or any other reason.
- ii. The supervisor will sign the report to verify its accuracy and submit it to administration department to become part of the employee's employment time records.

House Keeping

- i. It is the duty of every employee to keep his work station or desk neat and tidy and to help maintain a professional and business like atmosphere in MUSCCO offices.
- ii. Employees should also assist in keeping general work areas, washrooms, etc. clean and orderly.

General Conduct

- i. Employees must be professional in conduct and as knowledgeable as possible about savings and credit cooperative and the work of MUSCCO in order to carry out the requirement of their positions and service to the best interests of the members

Punctuality at work

- i. MUSCCO believe in the concept of hiring mature people who will act responsibly in whatever position they hold and will always report at the office in punctual manner. Lateness may be unavoidable on some occasions. However, habitual lateness will not

be accepted and may form ground for disciplinary action as stipulated in the relevant section.

Grooming

- i. Employee is expected to be neat, presentable and to maintain a standard of dress, grooming and general decorum that will help present MUSCCO and the SACCO system as top quality financial service organization in Malawi.
- ii. Messengers and Drivers at both the Head and Regional Offices shall be provided with suitable uniforms.

Marriage

- i. Marriage between fellow MUSCCO employee and SACCO employees shall not be permitted.
- ii. In the event that two employees want to marry, one partner will be asked to resign from MUSCCO employment.