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# **Sierra Leone Water Company Staff Incentive Scheme**

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**A Pathway to Enhanced Performance and Strategic Alignment**

SEPTEMBER 12, 2024

SALWACO

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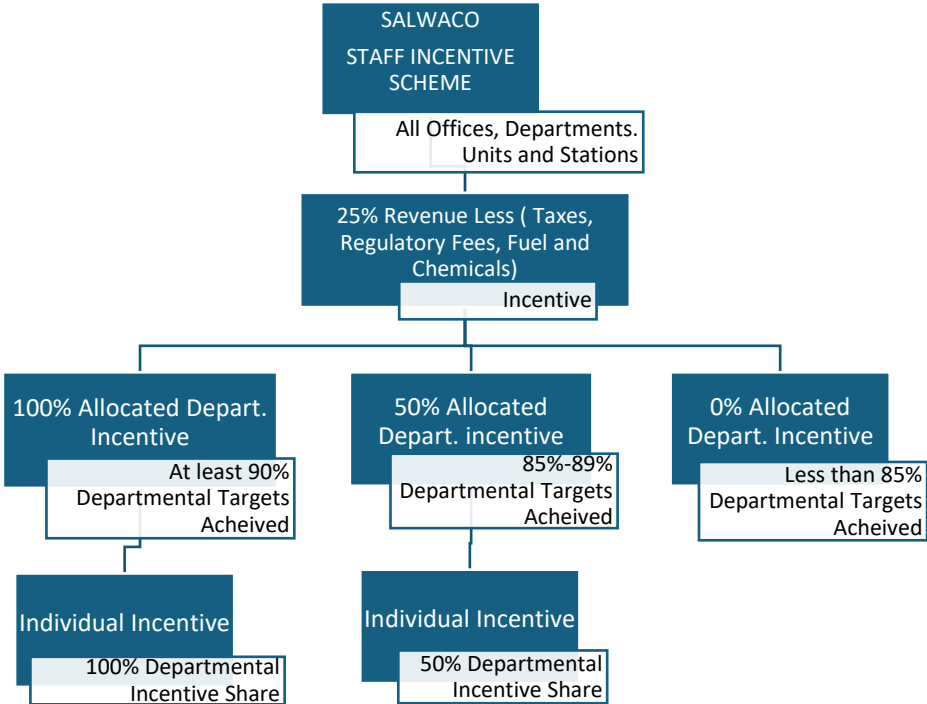
1.0 INTRODUCTION

The Sierra Leone Water Company (SALWACO), established in 2001, has consistently endeavored to provide safe and reliable water supply across Sierra Leone, with the exception of the Western Area. Acknowledging the vital role that motivated and well-rewarded staff play in achieving organizational goals, SALWACO has developed a comprehensive staff incentive scheme. This document delves into the intricacies of the incentive plan, highlighting its structure, objectives, and the mechanisms designed to reward departments and individual employees for meeting and exceeding their targets.

1.1 Overview of the Incentive Scheme

SALWACO’s incentive scheme is meticulously crafted to foster a culture of high performance, accountability, and strategic alignment. The incentive is set at 10% of the revenue generated, calculated after deducting all regulatory fees, fuel, chemicals, and taxes. Incentives are calculated from stations that break even after the deductions are made. This approach ensures that the incentives are based on the net revenue, reflecting the company's actual financial performance.

The incentive scheme is divided into two parts: the departmental component, which includes offices, departments, stations, and units, and the individual staff component. Each has specific criteria and thresholds for reward allocation. This dual focus ensures recognition and rewards for both collective and individual contributions.



## 1.2 Strategic Alignment and Organizational Impact

The incentive scheme is not just about rewarding performance but also about aligning individual and departmental efforts with SALWACO's strategic objectives. By tying incentives to specific goals, the company ensures that all employees are working towards the same overarching aims, thereby fostering a cohesive and unified approach to achieving the company's mission.

Moreover, the incentive scheme encourages continuous improvement and excellence. Departments and individuals are motivated to consistently enhance their performance, knowing that their efforts will be tangibly rewarded. This, in turn, leads to higher overall productivity and efficiency within the company.

## 1.3 Objectives and Benefits of the Incentive Scheme

The Staff Incentive Scheme is designed to achieve several key objectives:

1. **Performance Enhancement:** By linking incentives to the attainment of specific goals, the scheme encourages staff to perform at their highest level. This not only improves individual productivity but also enhances overall organizational efficiency.
2. **Goal Alignment:** The scheme ensures that departments, offices, stations or units' goals are aligned with the company's strategic plan. This alignment is crucial for achieving the company's long-term objectives and maintaining a cohesive direction.
3. **Motivation and Morale:** Recognizing and rewarding achievements boosts staff morale and motivation. Employees are more likely to be engaged and committed to their work when they know their efforts are valued and rewarded.
4. **Accountability:** The appraisal system fosters a culture of accountability. Staff members are aware that their performance will be evaluated against specific criteria, which encourages them to take ownership of their roles and responsibilities.
5. **Talent Retention:** An effective incentive scheme can help retain top talent within the organization. Employees are more likely to remain with a company that recognizes and rewards their contributions.

## 2.0 DEPARTMENTAL INCENTIVES (OFFICES, DEPARTMENTS, STATIONS AND UNITS): DRIVING COLLECTIVE SUCCESS

The departmental incentive structure is designed to ensure that each department contributes effectively to the overall strategic plan of the company. Departments are assigned specific goals, and their performance is evaluated based on the attainment of these goals. The incentive allocation is as follows:

**100% of Allocated Incentive:** For a departments, offices, stations or units to qualify for the full incentive, it must achieve at least 90% of its departmental goals.

**50% of Allocated Incentive:** If a departments, offices, stations or units achieves between 89% and 85% of its goals, it will receive half of the allocated incentive.

**No Incentive:** Department, office, station or unit that fall below the 85% threshold will not qualify for any incentive for the period under review.

The above scores are indicated in Table 1 below:

Table 1: Departmental Pass Mark

Pass mark to receive full incentive	90% and above
Pass mark to receive 50% of incentive	85% - 89%

This tiered approach ensures that departments, offices, stations or units are consistently striving for high performance and that only those who meet a substantial portion of their goals are rewarded. It also fosters a sense of collective responsibility, as each department's success contributes to the overall strategic objectives of SALWACO.

### 3.0 INDIVIDUAL INCENTIVES: RECOGNIZING PERSONAL CONTRIBUTIONS

In addition to departmental goals, individual staff members are appraised based on their personal deliverables. This component of the incentive scheme is tailored to different tiers within the organization, ensuring that the evaluation criteria are appropriate for each level of responsibility. The appraisal and incentive allocation are as follows:

#### 3.1 Directors, Heads of Departments and Unit Heads:

**100% of Allocated Incentive:** Attaining 90% or more in their appraisals.

**50% of Allocated Incentive:** Achieving between 80% and 89%.

**No Incentive:** Scores below 80%.

#### 3.2 Line Managers, Regional Managers, Station Managers:

**100% of Allocated Incentive:** Achieving 85% or more.

**50% of Allocated Incentive:** Achieving between 75% and 84%.

**No Incentive:** Scores below 75%.

### 3.3 Officers and Senior Officers:

**100% of Allocated Incentive:** Achieving 80% or more.

**50% of Allocated Incentive:** Achieving between 70% and 79%.

**No Incentive:** Scores below 70%.

### 3.4 Junior Staff:

100% of Allocated Incentive: Achieving 70% or more.

50% of Allocated Incentive: Achieving between 60% and 69%.

No Incentive: Scores below 55%.

The staff sharing scheme is indicated in Table 2 below.

Note: Table 2 is revised yearly based on the size and productivity of the Offices, Directorates, Stations and Units.

*Table 2: Staff Sharing Scheme*

Position/Designation	Mark to Score at Staff Appraisal before Eligible to Receive Incentive		Proportion of Shares (%)	% Allocation to be Received	
	Upper Limit	Lower Limit		Upper Limit (%)	Lower Limit (%)
Directors	90% and above	80 - 89%	10	100	50%
Line Managers	85% and above	75 - 84%	20	100	50%
Officers and Senior Officers	80% and above	70 - 79%	30	100	50%
Junior Staff (i.e., below officer level)	70% and above	60 - 69%	40	100	50%
		<b>Total</b>	<b>100</b>		

This structured appraisal system ensures that all staff, regardless of their position, are motivated to meet and exceed their individual targets. It promotes a culture of meritocracy and personal accountability, where rewards are directly linked to performance.

## 4.0 IMPLEMENTATION AND MONITORING

Implementing the Staff Incentive Scheme requires a robust framework for monitoring and evaluation. SALWACO must establish clear performance metrics and appraisal systems to ensure

the scheme is fair and transparent. Regular performance reviews and feedback sessions are essential for identifying areas of improvement and providing support to staff.

## 5.0 CHALLENGES AND CONSIDERATIONS

While the incentive scheme offers numerous benefits, it also presents certain challenges:

- **Fairness and Equity:** Ensuring the scheme is perceived as fair and equitable by all staff members is crucial. Any perception of bias or favoritism can undermine the effectiveness of the scheme.
- **Goal Setting:** Setting realistic and achievable goals is essential. Goals that are too ambitious may demotivate staff, while goals that are too easy may not drive the desired level of performance.
- **Resource Allocation:** The financial implications of the incentive scheme must be carefully managed to ensure the company's resources are used efficiently.

## 6.0 CONCLUSION

The Sierra Leone Water Company's Staff Incentive Scheme represents a strategic approach to enhancing performance, accountability, strategic alignment and achieving organizational goals. By offering substantial rewards for meeting and exceeding targets, the company ensures that all employees are motivated to contribute their best. Linking incentives to the attainment of specific departmental and individual goals, SALWACO fosters a culture of excellence, accountability, and motivation. While challenges exist, the potential benefits of the scheme in terms of improved performance, goal alignment, and talent retention make it a valuable component of the company's overall strategy. As the company continues to evolve, the incentive scheme will play a pivotal role in driving success and achieving its vision and mission of providing safe and reliable water supply to the people of Sierra Leone.

## 7.0 ANNEXES

### 7.1 Annex 1- Incentive Allocation by Offices/Departments/Stations and Units

<b>Overall Percentage for SALWACO</b>		
<b>Incentive Percentage = 10% of (Gross Earnings - Less WHT, SASSIT Contributions, EWRC Levies, Fuel Cost, Chemicals Cost, etc.)</b>		
<b>No</b>	<b>Office/Department/Station/Unit</b>	<b>% shares of the 10%</b>
1	MD's Office	4.00%
2	DMD's Office	3.00%
3	Procurement	3.00%
4	Operations	3.00%
5	Maintenance	3.00%
6	Finance	3.00%
7	Planning, Research & Policy	3.00%
8	Project Management	3.00%
9	Commercial Services	3.00%
10	Human Resource	3.00%
11	Admin	3.00%
12	Company Secretary and Legal Adviser	1.00%
13	Internal Auditor	1.00%
14	Bo Station	10.00%
15	Kenema Station	10.00%
16	Makeni Station	10.00%
17	Lungi Station	5.00%
18	Kambia Station	5.00%
19	Port Loko Station	5.00%
20	Magburaka Station	5.00%
21	Kabala Station	0.50%
22	Mile 91 Station	3.50%
23	Lunsar Station	0.50%
24	Moyamba Station	0.50%
25	Pujehun Station	3.50%
26	Bonthe Station	3.50%
27	Blama Station	0.50%
28	Kailahun Station	1.00%
29	<b>Kono Station</b>	0.50%
	<b>Total (100%)</b>	<b>100.00%</b>



Note: Table 2 is revised yearly based on the size and productivity of the Offices, Directorates, Stations and Units.

## 7.2 Annex 2 – Departmental Target and Point Allocation

Item No.	DESCRIPTION	% Allocation	Total %
<b>1</b>	<b><u>Managing Director</u></b>		
	Preparation of Annual Report	30	
	MDAs and sector coordination	40	
	Coordination of Board Meetings	30	
<b>2</b>	<b><u>Deputy Managing Director</u></b>		
	Reporting as per ToR	40	
	Work Planning and Budgeting as per ToR	20	
	Financial and Staffing Resource Management as per ToR	30	
	Communications, Public Awareness and Consumer Relations	10	
			<b>100</b>
<b>3</b>	<b><u>Procurement</u></b>		
	· 0% of lapse of securities (Performance Bonds, APGs, etc) allowed to expire before renewal	10	
	· 0% of lapse of contracts allowed to expire before renewal	7	
	· 0% of bid challenges are lost to complainants	4	
	· Bid Evaluations completed and reports prepared thereof as follows:		
	o NCBs not later than 3 weeks from date of bid opening	4	
	o ICBs not later than 4 weeks from date of bid opening	4	
	o Individual consultants not later than 3 weeks from date of receipt of bids/proposals	2	
	o Consultancy (firms selection):	2	
	§ QCBS: not later than 10 weeks from date of receipt of Expressions of Interest	4	
	§ All other methods: not later than 3 weeks from date of receipt of bids/proposals	2	
	§ Non-consulting services: not later than 3 weeks from date of receipt of bids/proposals	2	
	· 0% procurement queries received from NPPA reviews	10	
	· Quality of bidding documents (with reference to NPPA review) – at least 97%	5	
· Contract Register updated not later than one week after the end of every quarter	5		

<b>Item No.</b>	<b>DESCRIPTION</b>	<b>% Allocation</b>	<b>Total %</b>
	· Suppliers' register updated in line with deadline of Public Procurement Act (2016) and Regulations (2020)	8	
	· 0% Abuse/wrong use of Public Procurement Act (2016), Regulations (2020) and procedures	8	
	· 100 compliances with use of the most recent Public Procurement Manual	5	
	· Annual Procurement Plan prepared and approved by NPPA in accordance with PPA 2016	6	
	· Monthly departmental reports prepared against agreed deadlines	4	
	· Quarterly departmental reports prepared against agreed deadlines	4	
	· Yearly departmental reports prepared against agreed deadlines	4	
			<b>100</b>
<b>4</b>	<b><u>Operations</u></b>		
	· Total Water Production of 150,000 cubic meter monthly	40	
	· 100 Total New monthly Connection	40	
	· Monthly departmental reports prepared against agreed deadlines	5	
	· Quarterly departmental reports prepared against agreed deadlines	5	
	· Yearly departmental reports prepared against agreed deadlines	10	
			<b>100</b>
<b>5</b>	<b><u>Maintenance</u></b>		
	· 100% Routine maintenance by stations	25	
	· 24 hrs return time of fault and damage reporting with solutions or amendments	25	
	· Ensure Quarterly maintenance	15	
	· 100% lightning protection of all plants	15	
	· Monthly departmental reports prepared against agreed deadlines	10	
	· Quarterly departmental reports prepared against agreed deadlines	5	
	· Yearly departmental reports prepared against agreed deadlines	5	
			<b>100</b>
<b>6</b>	<b><u>Finance</u></b>		

<b>Item No.</b>	<b>DESCRIPTION</b>	<b>% Allocation</b>	<b>Total %</b>
	· 100% Previous Audit queries addressed	25	
	· Financial related queries not more than NLe5,000	20	
	· No ineligible/unjustified expenses declared by a development Partner	15	
	· No ineligible/unjustified expenses declared by ASSL or their appointed auditor	15	
	· Monthly departmental reports prepared against agreed deadlines	10	
	· Quarterly departmental reports prepared against agreed deadlines	5	
	· Yearly departmental reports prepared against agreed deadlines	5	
	· 100% of assets in asset register, i.e., asset register 100 updated	5	
			<b>100</b>
<b>7</b>	<b><u>Planning, Research &amp; Policy</u></b>		
	· At least 3 Research documents prepared and approved every year	30	
	· At least 3 Policy documents prepared and approved every year	10	
	· The Annual Work Plan & Budget prepared and approved every year	10	
	· Monthly departmental reports prepared against agreed deadlines	20	
	· Quarterly departmental reports prepared against agreed deadlines	15	
	· Yearly departmental reports prepared against agreed deadlines	15	
			<b>100</b>
<b>8</b>	<b><u>Project Management</u></b>		
	· Completion of Projects:		
	o 80% of all projects register at least 80% physical completion:	20	
	o 100% of all projects register at least 100% physical completion	15	
	· Project designs register 97% accuracy	15	

<b>Item No.</b>	<b>DESCRIPTION</b>	<b>% Allocation</b>	<b>Total %</b>
	· Project Proposals completed on time	15	
	· Contractors administered strictly in accordance with their respective contracts	15	
	· Monthly departmental reports prepared against agreed deadlines	10	
	· Quarterly departmental reports prepared against agreed deadlines	5	
	· Yearly departmental reports prepared against agreed deadlines	5	
			<b>100</b>
9	<b><u>Commercial Services</u></b>		
	· 95% of billing efficiency attained	30	
	· 100% of billing efficiency attained	25	
	· 80% of collection efficiency attained	25	
	· Monthly departmental reports prepared against agreed deadlines	10	
	· Quarterly departmental reports prepared against agreed deadlines	5	
	· Yearly departmental reports prepared against agreed deadlines	5	
			<b>100</b>
10	<b><u>Human Resource</u></b>		
	· Organogram finalized not later than 1 month after agreed deadline	15	
	· Job descriptions for all staff finalized not later than 1 month after agreed deadline	15	
	· Replacement of staff that leaves the company should be within 2 months of official departure	15	
	· 100% approved training completed not later than 4 weeks after agreed deadline	15	
	· Proposal for establishment of SALWACO's Training institution prepared withing agreed deadline	10	
	· Recruitment processes completed with 3 months of official commencement	10	
	· Monthly departmental reports prepared against agreed deadlines	5	
	· Quarterly departmental reports prepared against agreed deadlines	5	

<b>Item No.</b>	<b>DESCRIPTION</b>	<b>% Allocation</b>	<b>Total %</b>
11	· Yearly departmental reports prepared against agreed deadlines	10	
			<b>100</b>
	<b><u>Admin</u></b>		
	Property surveys for active stations 100% completed	20	
	Property surveys for defunct stations 100% completed	20	
	Vehicle maintenance cost reduced by 70% from previous year's value	20	
	Reduction in maintenance expenditure by 50% from previous years	10	
	100% inventory of Stores items available	10	
	· Monthly departmental reports prepared against agreed deadlines	5	
	· Quarterly departmental reports prepared against agreed deadlines	5	
	· Yearly departmental reports prepared against agreed deadlines	10	
		<b>100</b>	
11	<b><u>Company Secretary and Legal Adviser</u></b>		
· Ensure that 100% of debtors receive legal notice to pay up	20		
General legal matters addressed adequately	20		
Service to the Board above 90% efficiency	5		
· Monthly departmental reports prepared against agreed deadlines	15		
· Quarterly departmental reports prepared against agreed deadlines	15		
· Yearly departmental reports prepared against agreed deadlines	25		
		<b>100</b>	
12	<b><u>Internal Auditor</u></b>		
100% accuracy of all internal reviews	50		
· Monthly departmental reports prepared against agreed deadlines	15		
· Quarterly departmental reports prepared against agreed deadlines	15		

<b>Item No.</b>	<b>DESCRIPTION</b>	<b>% Allocation</b>	<b>Total %</b>
	· Yearly departmental reports prepared against agreed deadlines	20	
			<b>100</b>
13	<b><u>ICT Unit</u></b>		
	· Ensure 100% operations of billing systems	25	
	· Ensure internet and mobile money systems are 100% operational	20	
	· 24hrs response time to all staff IT related complaints	30	
	· Monthly unit reports prepared against agreed deadlines	5	
	· Quarterly unit reports prepared against agreed deadlines	10	
	· Yearly unit reports prepared against agreed deadlines	10	
			<b>100</b>
14	<b><u>Communications Unit</u></b>		
	· 70% improvement in willingness to pay as result of campaigns	45	
	· 70% improvement in use of Mobile money by customers	35	
	· Monthly unit reports prepared against agreed deadlines	5	
	· Quarterly unit reports prepared against agreed deadlines	5	
	· Yearly unit reports prepared against agreed deadlines	10	
			<b>100</b>
15	<b><u>Bo Station</u></b>		
	Monthly Connection of 30 New Connection	15	
	100% Billing Efficiency	15	
	Monthly Debt collection of Le100,000	20	
	Monthly water sales revenue Le350,000	30	
	Monthly Station Report	5	
	Quarterly Station Report	5	
	Yearly Station Report	10	
			<b>100</b>
16	<b><u>Kenema Station</u></b>		
	Monthly Connection of 30 New Connection	15	
	100% Billing Efficiency	15	
	Monthly Debt collection of Le100,000	20	
	Monthly water sales revenue Le350,000	30	
	Monthly Station Report	5	
	Quarterly Station Report	5	

<b>Item No.</b>	<b>DESCRIPTION</b>	<b>% Allocation</b>	<b>Total %</b>	
17	Yearly Station Report	10		
			<b>100</b>	
	<b>Makeni Station</b>			
	Monthly Connection of 30 New Connection	15		
	100% Billing Efficiency	15		
	Monthly Debt collection of Le100,000	20		
	Monthly water sales revenue Le350,000	30		
	Monthly Station Report	5		
	Quarterly Station Report	5		
	Yearly Station Report	10		
			<b>100</b>	
18	<b>Lungi Station</b>			
	Monthly Connection of 5 New Connection	15		
	100% Billing Efficiency	15		
	Monthly Debt collection of Le35,000	20		
	Monthly water sales revenue Le10,000	30		
	Monthly Station Report	5		
	Quarterly Station Report	5		
	Yearly Station Report	10		
				<b>100</b>
19	<b>Port Loko Station</b>			
	Monthly Connection of 5 New Connection	15		
	100% Billing Efficiency	15		
	Monthly Debt collection of Le10,000	20		
	Monthly water sales revenue Le35,000	30		
	Monthly Station Report	5		
	Quarterly Station Report	5		
	Yearly Station Report	10		
				<b>100</b>
20	<b>Kambia Station</b>			
	Monthly Connection of 5 New Connection	15		
	100% Billing Efficiency	15		
	Monthly Debt collection of Le10,000	20		
	Monthly water sales revenue Le35,000	30		
	Monthly Station Report	5		
	Quarterly Station Report	5		
	Yearly Station Report	10		

<b>Item No.</b>	<b>DESCRIPTION</b>	<b>% Allocation</b>	<b>Total %</b>
			<b>100</b>
21	<b>Lunsar Station</b>		
	Monthly Station Report	30	
	Quarterly Station Report	30	
	Yearly Station Report	40	
			<b>100</b>
22	<b>Mile 91 Station</b>		
	Monthly Connection of 5 New Connection	15	
	100% Billing Efficiency	15	
	Monthly Debt collection of Le5,000	20	
	Monthly water sales revenue Le25,000	30	
	Monthly Station Report	5	
	Quarterly Station Report	5	
	Yearly Station Report	10	
			<b>100</b>
23	<b>Magburaka Station</b>		
	Monthly Connection of 5 New Connection	15	
	100% Billing Efficiency	15	
	Monthly Debt collection of Le10,000	20	
	Monthly water sales revenue Le35,000	30	
	Monthly Station Report	5	
	Quarterly Station Report	5	
	Yearly Station Report	10	
			<b>100</b>
24	<b>Kabala Station</b>		
	<b>Moyamba Station</b>	30	
	Monthly Station Report	30	
	Quarterly Station Report	40	
	Yearly Station Report		<b>100</b>
25	<b>Bonthe Station</b>		
	Monthly Connection of 5 New Connection	15	
	100% Billing Efficiency	15	
	Monthly Debt collection of Le30,000	20	
	Monthly water sales revenue Le10,000	30	
	Monthly Station Report	5	



<b>Item No.</b>	<b>DESCRIPTION</b>	<b>% Allocation</b>	<b>Total %</b>
26	Quarterly Station Report	5	
	Yearly Station Report	10	
			<b>100</b>
	<b>Pujehun Station</b>		
	Monthly Connection of 5 New Connection	15	
	100% Billing Efficiency	15	
	Monthly Debt collection of Le20,000	20	
	Monthly water sales revenue Le7,000	30	
	Monthly Station Report	5	
	Quarterly Station Report	5	
Yearly Station Report	10		
		<b>100</b>	
27	<b>Blama Station</b>		
	Monthly Station Report	30	
	Quarterly Station Report	30	
	Yearly Station Report	40	
			<b>100</b>
28	<b>Kailahun Station</b>		
	Monthly Station Report	30	
	Quarterly Station Report	30	
	Yearly Station Report	40	
		<b>100</b>	
29	<b>Kono Station</b>		
	Monthly Station Report	30	
	Quarterly Station Report	30	
	Yearly Station Report	40	
		<b>100</b>	

Approved By:

.....  
Chairman, Board of Directors  
Ing. Mohamed A Jalloh