



NATIONAL PENSION COMMISSION

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CIRCULAR

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DATE: 26 April, 2013

TO: All Licensed Pension Fund Operators

SUBJECT: IMPORTANCE OF TRAINING FOR STAFF OF PENSION FUND OPERATORS

- 1.1 The Commission has observed that Operators generally do not treat the issue of staff training with paramount importance.
- 1.2 The need for Operators to make adequate investment in the training of its employees is of paramount importance to the Commission especially at this stage of the development of the Contributory Pension Scheme where issues of service delivery have become a major focus/concern in the pension industry. There is also the need to ensure that adequate measures have been put in place in terms of training to guarantee smooth succession especially during senior level exit from the business thus contributing to safe guarding the sustainability as well as to bridge skills gap in the pension industry.
- 1.3 The Commission therefore views the issue of staff training as crucial to the growth, development and success of the pension industry. Some of the major benefits of staff training are highlighted below:
 - i. The primary benefit of an organization investing in proper staff training is proficiency. A well trained work force will help reduce the risk of potential errors;
 - ii. Improved service delivery that adequately meets the needs of clients;
 - iii. Improved public perception of the Contribution Pension Scheme;

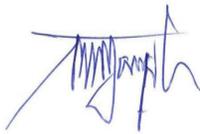
- iv. Improved morale of employees as he/she will have a sense of belonging and this will ultimately promote loyalty as the employee put in adequate effort to ensure the success of the business; and
 - v. Increased productivity as training improves efficiency. A well trained workforce shows both quantity and quality performance.
- 1.4 Operators are therefore expected to develop a training program/calendar on a yearly basis indicating the training needs of each employee as well as ensuring that relevant courses are identified for each employee relating to their own areas of operation/expertise on needs.
- 1.5 Training should be given in five basic areas as follows:
- i. New employees who join the organization should be trained to get familiarized with the organization's mission, vision, rules and regulations, the working condition as well as an overview of the Contributory Pension Scheme and the role of the National Pension Commission;
 - ii. Existing employees should be trained to refresh and enhance their knowledge especially with new development in the organization and the industry;
 - iii. When any update and amendment takes place for instance in information technology where an organization changes /upgrades its software;
 - iv. In the case of promotion, career growth, job rotation so that employees are prepared for their new responsibilities; and
 - v. Professional Development.
- 1.6 Training should also involve:
- i. On the job training - This method of training involves employees being trained on actual work scenarios; and
 - ii. Off the job training - This is when training is provided away from the actual working conditions and can take the form of external training, seminars, workshops, conferences etc. The most important consideration here is that there is value for money. Utmost care should therefore be taken in selecting reputable training providers in order for employees to get the full benefits of the training.

- 1.7 Operators should ensure that sufficient budgetary allocation is set aside for training yearly.
- 1.8 Lastly, investment in proper training at all levels can only benefit the industry as a whole and the process should be continuous for as long as the organization is in business.

This Circular takes immediate effect.

All enquiries regarding this circular should be directed to the undersigned.

Thank you.

A handwritten signature in blue ink, appearing to be 'M.Y. Datti', written over a horizontal line.

M.Y. Datti
Head, Surveillance Department