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Can Kenya catch up with ASIAN TIGERS?

Improved productivity vital in speeding up economic growth
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salaries and remuneration commission
**Vision**

Equitable and sustainable remuneration and benefits for state and public officers in Kenya

**Mission:**

To set, review and advise on fair, competitive and sustainable remuneration and benefits through research and analysis.

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**Editorial**

This 3rd issue of the SRC newsletter informs us of some key activities that the Commission has been undertaking, and how the challenges experienced are being tackled.

As you are aware, the Commission is undertaking job evaluation for the public service which will determine the true worth of the public service jobs. While conducting the exercise, jobs will be evaluated and a grading system developed. What is job grading and what does it entail? The article on the dynamics of job grading breaks down and gives insights on this concept.

The level of labour productivity among the public service has been a subject of contention for some time. While some are of the view that labour productivity can be measured, others fervently hold the view it is incalculable. Fears of job losses and salary cuts are also present. In this issue, we answer some questions on labour productivity, and go further to draw lessons from Malaysia.

Most institutions still grapple with issues of risk management and internal control. Is it worth the risk is a question asked in most board rooms. More so, delegation is a subject that some of our leaders are yet to accept fearing that this is tantamount to yielding control. On the other hand, those delegated to may be afraid that they may fail. Our articles will give you a better understanding of these two topics.

Well, it is mid-year and it could be time to unwind by travelling to Lake Chala. Good nutrition leads to gains in worker morale and can raise national productivity levels. Try something new like a recipe on traditional dried and flavoured roast meat stew featured in this issue.

Finally, in this 3rd issue of the newsletter, you meet Hon. Peter Oloo Aringo, a Commissioner at SRC.

These and many more short stories and incisive write ups are featured in this issue. Read on and at the end, give us feedback.
I am happy to present this third issue (January-June 2016) of Salaries and Remuneration Commission newsletter. This newsletter is interactive and covers a wide range of topical issues including the Commission’s activities during the period and addresses some of the concerns raised by our stakeholders.

Slightly over one year ago, H.E. the President of The Republic of Kenya, Hon. Uhuru Kenyatta, launched job evaluation exercise for Public Service which is now near completion. We firmly believe that the job evaluation is the foundation upon which disparities in the public sector shall be eliminated, while promoting performance and productivity.

The question is, how can we measure and improve performance and productivity in the public service? There has been continuous effort to increase performance and productivity in the public service through the Public Sector Reform Programme (PSRP) in 1993 and Performance Contracting System in 2004. However, Kenya’s labour productivity is still low estimated to grow at 1.6% per annum, compared to Africa’s average growth of 2% and Asia’s 7%.

What can Kenya do to increase its labour productivity? Several lessons can be drawn from some success stories; for example Malaysia, a country that was at the same level with Kenya in terms of development in 1963. Today, Malaysia’s per capita is over US$ 11,000 while that of Kenya is US$ 1,500; almost 10 times less! What did Malaysia do? The Malaysian government developed a mechanism to link productivity and performance to remuneration and promotion.

The need to link performance and productivity cannot be ignored. Even as we deliberate on this issue, it is the responsibility of every Kenyan to demand for quality services and prudent management of public resources for sustainable development.

Finally, I am sure that you will find the articles herein enlightening and worthwhile. Please enjoy reading and feel free to give us your feedback.

Sarah J. C. Serem (Mrs.), EBS
CHAIRPERSON
The Dynamics of Job Grading

By: Anne R. Gitau, Commission Secretary

“A first principle in any job grading is that individuals involved in the process should know as little as possible of the existing pay differentials between jobs being graded, to enhance objectivity in the process”.

These are the words of Thomas Paterson, the creator of the Paterson Job Grading Method, which has been in use since the 1960s and has been widely applied with great success globally. In the ongoing job evaluation for the public service, SRC is religiously practicing this principle as it works towards enhancing objectivity, which is also one of its core values.

Job evaluation vs job grading

Whereas job evaluation determines the relative value or worth of a position, job grading goes a step further to place the positions evaluated with a comparable set of requirements. This is then followed by assigning jobs to similar or different levels/grades. In the ongoing job evaluation exercise for the public service, SRC has since completed job grading for 43,167 jobs in the civil service; commissions and independent bodies; counties; and commercial, strategic, service and regulatory state corporations. More jobs will be graded for the disciplined service, and public universities, research and tertiary institutions, the two sectors whose job evaluation started in June 2016.

The concepts of job grading

A job grade is a collection of jobs that are considered to have the same value or worth for the purpose of compensation. The tasks of a specific job grade have similar job descriptions and requirements of knowledge, skills and abilities, thus making the pay scale similar. The main objective is to achieve and maintain an equitable distribution of basic salaries according to the level, grade or position.

Financial implication

Other than the direct impact that job grading and regrading may have on the new basic salary payable to the employee, some of the implications of job grading are increase in pensionable payments both for the employee and employer, depending on whether the prevailing pension scheme is contributory or non-contributory. In addition, a job grading exercise provides a consistent rationale for pay structures, hence reducing inequities which in turn enables management to regain control over salary administration and its resultant effects such as wage bill. Since job grading provides a consistent rationale for pay structures and a common justifiable reference point, salary administration is likely to be seen as fair, hence acceptable by employees.

Conclusion

For a successful job grading exercise, it is important that a policy framework that guides the exercise is developed and adopted by the team grading jobs so as to ensure consistency, fairness and validity of the results. The scope of the policy framework should include handling the resultant terms and conditions of service, membership to grading panels, appeals mechanisms, and the communication process.
Labour Productivity has to Kick In

By: Purity Njeru, Principal Communication Officer

Despite Kenya's government efforts to increase performance and productivity in the public service through the Public Sector Reform Programme (PSRP) in 1993 and Performance Contracting System in 2004, performance and productivity in the public service has been reported to be low. Wananchi are yet to get quality services from the public service as they ought to. In Kenya, labour productivity is reported to grow at a mere 1.6% each year. This compared to China and India with 8.7% and 5.4% growth in labour productivity respectively, is very low and does not augur well for a country that is keen to accelerate its economic growth and development to a middle level income nation by 2030. We delve into labour productivity clarifying various issues on how best to measure productivity and performance in a chat with Mr. Nyandieka Mokua, Assistant Director of Research.

Q. What is labour productivity?
Labour productivity simply measures efficiency of labour. While productivity is a quantitative relationship between outputs and inputs, labour productivity is an arithmetic measure of the quality and quantity of output per worker. It tells us how inputs (labour) are efficiently used to produce the desired quality and quantity of outputs.

Q. Why does public sector labour productivity matter?
It leads to efficient utilization of inputs, for production of quality outputs. If the public sector is efficient in service delivery, it creates an enabling environment for the private sector to flourish. Currently, the private sector employs over 80% of workers and contributes about 90% to Kenya's ordinary revenue. Therefore, a productive public sector will have a ramification effect on economic growth and development through an effective and efficient private sector. This is because the public sector will provide an enabling environment for the private sector to thrive.

More so, it will inform strategies on productivity improvement and recognition. If productivity is improved in the public and private sector, more quality goods and services will be produced leading to an increase in Gross Domestic Product (GDP). This will lead to additional revenue towards development projects, consequently improving Kenyans living standards.

Q. What is the link between productivity and attainment of Vision 2030?
The Economic pillar of Vision 2030 stipulates that Kenya aspires to be a middle income country with a sustained GDP of at least 10% by the year 2030. With improved output per worker, GDP will improve, consequently attaining the economic pillar of Vision 2030. Attainment of the economic pillar will translate to good quality life, high literacy level and expanded democratization which are under social and political pillars of Vision 2030, respectively.

Q. What factors affect labour productivity growth?
Working tools and equipment: For example, use of modern tools of work such as computers can improve productivity.
Knowledge and skills of labour: A worker with relevant education and experience is more productive as opposed to an unqualified worker.
Motivation of labour: For example, paying commensurate salary and delegation of responsibilities makes a worker to feel accepted by the employer and the worker gets motivated to work efficiently and effectively, hence improving productivity.

Q. What is the link between labour productivity and income?
If there is an efficient public sector that provides an enabling environment for the private sector to flourish, a multiplier effect on income growth will be achieved. If GDP grows, there will be a bigger national cake to share, hence enhanced remuneration and benefits.
Q. What are the possible measures of labour productivity?
Calculating the ratio of outputs and inputs used in the production process. For example, one can use the micro-budget consumption for respective departments to calculate the unit cost of outputs. Utilization of each specific public institution’s department’s budget can be used to gauge productivity levels. Departments that utilize all their allocated budgets for the intended purpose at the end of the financial year are said to be productive, while those that cannot utilize the budget for intended purposes are said to be underproductive.

Q. How have other countries tackled labour productivity in the public sector?
Malaysia, for example, started measuring its public sector labour productivity at a micro level. It was first tried in public institutions, with clearly identifiable outputs. To measure productivity in these institutions, relevant data was collected and the arithmetic ratio of outputs and inputs calculated. This method is efficient for departments such as roads, immigration and registration of persons that have clear identifiable outputs.

For those departments without clear outputs, Malaysia used micro-budget consumption to calculate unit cost of outputs.

Q. What can Kenya learn from other countries in Africa, Asia and perhaps Europe where labour productivity has been key to economic growth and development?
Productivity improvement can be achieved through productivity measurement and recognition. Malaysia started measuring its productivity and setting key performance indicators for senior government officials in 2000; and this has helped it to accelerate growth rate.

Efficiency of labour in production leads to economic growth and development. Efficiency means using less inputs to produce more and better quality outputs. It is maximum utilization of available resources for quality outputs. Efficiency aims at avoiding wastage in the production process.

Rewards to productive labour and sanctions to unproductive labour also help to improve productivity. In Malaysia, rewards and sanctions have been used to awaken workers to be more productive. For example, if a worker is given a promotion or a salary rise based on productivity, this motivates the worker to put more effort and other workers to emulate the same.

Q. There have been efforts in the past to tackle labour productivity in the public sector without much success. What is it that SRC will do differently?
Previous attempts to improve labour productivity were not linked to clear reward and sanction mechanisms. SRC will approach productivity from the Performance Management Perspective. This is because there are still no agreed indicators that can be used to measure productivity in the public sector. Once these are agreed, the Commission can use them for monitoring and recognizing productivity.

Q. There are varied arguments that labour productivity is difficult to measure given that each profession has its own indicators of measurement. How does SRC intend to tackle labour productivity?
SRC will collaborate with the National Productivity and Competitiveness Centre (NPCC) and carry out wide consultations with relevant stakeholders to agree on the methodology and indicators that will be used to measure productivity. Each public sector institution will propose the indicators that best capture what they do.

Q. So, will calculating labour productivity tell us how hard Kenya’s public service works?
Calculating labour productivity will tell us the output per worker. The initial indices will be used as a baseline upon which workers will be asked to strive towards improving their efficiency, which will then translate to improved output per worker.

Q. Can we tell the labour productivity level (productivity indices) at present in Kenya?
An attempt was made by the NPCC that generated productivity indices from 2001 to 2012. The data indicated that labour productivity had grown by a mere 18% over the period, or about 1.6% per year.

Q. What can be done to increase this percentage?
A target can be set on labour productivity improvement and detailed strategies of improving it can be sought. Labour productivity of subsequent years can then be measured and compared. Through productivity indices, a comparison of what the government pays its labour and what the labour produces can be done. For example, if Kenya’s GDP grows by a negative figure, meaning it has been unproductive, then there can be no justification for salary increment. Should salaries be increased, workers will earn what they have not produced, leading to unsustainable wage bills.

Q. There are misconceptions and fears in the public sector about labour productivity, hence the lukewarm support. What is not labour productivity?
Labour productivity is not about laying off redundant labour or reducing salaries.

Q. What are the possible challenges while implementing labour productivity?
Quantifying public sector outputs, identifying indicators that will be used to measure outputs, associating outputs with corresponding inputs, and clearly specifying an output for a public institution given that some outputs are achieved by several institutions or sub sectors.

Q. Can you reassure the public sector?
Measuring public sector labour productivity enables planners to determine where efforts can be directed for efficiency gains. It is not about redundancy, but about doing more with the same level of inputs. For example, if a road can be constructed once and last for 10 years, this is better than constructing the same road using the same resources to last 5 years.
The Bible is the world's best-selling and most widely distributed book. It has equally been translated into several world languages. Most people read or regard it as a religious book, and have never thought of it as a book for social or natural sciences.

Christians believe that the Bible was written through inspiration, and modern day historians have found out that some authors of the Bible's books were highly educated, while others were not. Nevertheless, they argue that no book addresses a variety of subjects like the Bible.

Modern management Gurus have acknowledged that the Bible is one of the best management text books that has ever been authored.

Delegation
Delegation is an act of giving control, authority, a task or a duty to another person on behalf of the person holding the ultimate responsibility. It is authorizing subordinates to make certain
In his very first consulting session with Moses, he discussed the concept of delegation with his new ‘client’.

He wisely pulled Moses aside (Exodus 18:9–12) and gave him some invaluable counsel. He articulated five principles of delegation, which are relevant to modern day’s leadership and management.

Admit that working non-stop is unsustainable: Jethro told Moses factually that what he was doing was not good to his family, the people with him, and himself. “The work is too much for you; you cannot perform it by yourself. If you continue like that, you will eventually break down. You can’t work 12 hours each day, 6 days a week, and survive. Something will eventually go wrong: either your health, sanity, family, career, or legacy. Worse, it even wears your people out. For your sake—and theirs, please admit that your strategy is not working.”

Jethro concluded his Consulting session with Moses, he discussed the concept of delegation with his new ‘client’.

Understand your strength: While Moses could do many things well, he had a unique calling/strength whereby he alone added significant value. He exhorted Moses to heed his counsel. He told him to stand before God for the people, so that he mediates for them. Moses should teach the people the statutes and laws, and show them the way in which they must walk and the work they must do. Moses needed to offload that which others could do, and focus on what he alone could do. The same is true for you. What is it that you can add value to, that which you are uniquely called and qualified to do?

How can you delegate the rest?
Select qualified leaders to assist you: This is where Jethro gets practical. He gently rebuked Moses: “You are not the only one who can do this job. You just need to find some leaders you can trust to help share the load. There’s no reason you should bear this alone.” He advised Moses to select able and qualified men who fear God, men of truth, and who hate corruption and covetousness.

The emphasis of the selection is on character of the people to be selected for leadership responsibilities. People may have knowledge and experience, or they can learn skills and develop their gifts, but you must start with a foundation of suitable character. When you have this, it is easier to delegate.

Give these leaders tasks and authority: Jethro was very practical. He understood that a leader’s span-of-control was about 10 people. He established a simple organizational hierarchy with different levels of duties and responsibilities. He provided an outline of job descriptions, inter-alia, place such qualified people to be in charge of thousands, hundreds, fifties, and tens. More so, let them judge people at all times and report to you on behalf of the people.

These various management levels were not designed to impede decision-making, but to facilitate it. The key is in giving people authority. Will they make mistakes? Absolutely. Get over it. This is the price you pay to develop leaders.

Only do those things which others cannot do: Jethro advocated that Moses manages by exception. He told Moses to let the chosen people make judgement on all matters they are able to. They will only bring to him complex matters which they are not able to judge. “Therefore, it will be easier for you, for they will bear the burden with you”.

The Management Guru Dawson Trotman once said, “Never do anything of importance that others can do or will do when there is so much of importance to do that others cannot do or will not do.” This is invaluable advice for every leader. Where can you uniquely add value? This needs to be your focus. You need to let everything else go.

Jethro concluded his Consulting session with Moses by saying:

“If you do this thing, and God so commands you, then you will be able to endure, and all these people will also go to their place in peace.”

Jethro promises two benefits: Moses will endure (this strategy is sustainable), and the people will be at peace (there will be fewer conflicts).
My IG handle is @gracawangu, and in social circles I am known as an outdoor and adrenaline junkie, a hiker, a mountain climber, a traveller and an amateur photographer. Over the years, I have taken countless trips to hills, mountains, rivers, lakes, forests, parks, reserves, cities and towns within and beyond Kenya borders.

It was that time of the year again! Easter was around the corner, a much welcomed break from the hustle and bustle of Nairobi. After scanning through Easter Holiday trips on offer from tours and travel agencies, I settled on an ‘Ultimate Road Trip to the Pearl of Africa-Jibambie Uganda this Easter’ hosted by Adventure 360 Africa. But as fate would have it, I turned up for a different trip dubbed ‘Easter Break Chyulu Hills/Tsavo West/Lake Jipe and Chala Expedition’ organized by Bucket List Travels Club. My only point of interest being Lake Jipe and Lake Chala, having been to Chyulu Hills and Tsavo West in the past.

At every glance on the internet, images of Lake Chala strikingly deep blue waters spoke to my heart and spirit. I had to go. We set out on Good Friday. We slowly made our way out of the city into Machakos County. It was an easy drive, the highway was smooth and even, surrounded by hills and huge rocks. Besides it, was the ongoing construction of the Standard Gauge Railway line that aims to connect Kenya, Uganda, Rwanda and South Sudan. At around mid-day, we set foot at Chyulu Hills National Park, home to panoramic green hills and the second longest cave in the world with a length of 12.5 kilometres. We combed the caves for the rest of the afternoon and set camp in the evening. Early Saturday morning, we set off on a hike up the hills to the highest peak of 2,188 metres above sea level. The landscape views from the base to the peak were spectacular! By evening,
we had driven into Tsavo West National Park, our home for the next two nights. The following day was spent exploring the Mzima Springs, Shetani Lava Flows and Lake Jipe that is abundant with fish, birds, hippos, crocodiles, zebras and elephants.

On Easter Monday, we woke up on the shores of Lake Jipe getting ready for an exciting journey back to Nairobi via a stopover at Lake Chala. As I dressed up, thoughts of putting on my swimming gear underneath my outfit or carrying it with me hoping to steal a swim in the lake crossed my mind. Eventually, I packed it away after Bucket List Travels Club indicated that time would not allow. After about two hours on the 4x4 overland truck, we arrived within the vicinity of the lake. Passers-by would not know that the lake exists as it is completely hidden and invisible from the road. We disembarked and began to walk towards the lake. It is a short but steep and slippery trek. Finally, we caught a glimpse of the lake and I began clicking the camera away at this picturesque lake.

Since we set out, I had not seen anything so majestic! Lake Chala is scenic, serene and breath-taking. The view is magical! I recommend Lake Chala and Lake Jipe as perfect getaways with friends and family.
SRC commissioners with stakeholders during a breakfast meeting on job evaluation for disciplined forces; and research institutions, public universities and tertiary education.

SRC Commissioner Serah Kinyua receives job description manuals from Cabinet Secretary for ICT, Joe Mucheru.
(Left to Right) David Muthaka, Anne R. Gitau and Nicholas Siwatom sharing a light moment during a job evaluation stakeholders’ engagement

Stakeholders breakfast meeting on job evaluation for disciplined forces; and research institutions, public universities and tertiary education

(Left to Right) Vice Chair Daniel Omondi, Commissioner Anne Owuor and George Hapisu of Deloitte and Touche, during a job evaluation stakeholders’ engagement

TSC Chairperson, Lydia Nzomo, makes her remarks during a job evaluation stakeholders’ engagement
Leveraging Effective Risk Management and Internal Control

By Martin Musyimi, Chief Internal Auditor

Effective risk management and internal control (RMAIC) is an important driver of organizational performance, and one of the best defences against operational and strategic failure. Highly successful institutions know how to take advantage of opportunities and counter threats, thereby improving their overall performance.

Until recently, many institutions in Kenya were overly focused on financial reporting control-based monitoring framework, however the global financial crisis highlighted that the most impactful risks stem from external circumstances. Therefore, risk management and control systems should take a wider perspective since organizations exist as part of an open system of dynamic variables.

Common pitfalls
Several factors caused the recent global financial crisis, among them ethical flaws and regulatory overload, leading to legalistic compliance. Other factors included; ineffective governance, risk management, and internal control. For some institutions, governance, risk management, and internal control existed by name. For others, risk and control systems were focused too narrowly. Indeed, there has been and continues to be an overwhelming load of bad RMAIC practices.

Some institutions have mistakenly viewed risk management and internal control as objectives in their own right rather than tools to be leveraged in setting and achieving overall strategies, goals and objectives. SRC has embraced Enterprise Risk Management protocols as a leverage for setting and achieving strategic goals and objectives. Institutions in Kenya have tried to “bolt on” stand-alone RMAIC systems or implement off the shelf risk management applications rather than integrate risk management into existing processes and customize controls to address their unique nature and risks. In others, RMAIC processes remain static, becoming out-of-date as the entity continues to evolve. Management often views RMAIC activities as an added cost instead of creating results and sustainable value. A number of them focus their RMAIC activities on threats, yet they should also focus on opportunities.

The Public Finance Management Act 2012 and the Public Finance Management Regulations 2015 have given impetus to risk management and internal control systems in Kenya’s public sector.

Setting and achieving objectives
Risk management and internal control contribute to achieving an institution’s objectives. Every institution should have a defined mission and/or vision, whether altruistic (e.g., to eradicate world hunger and/or disease) or pragmatic (e.g., to become the number one supplier of a given product globally). Through its strategic planning process and with board oversight, management must determine how to achieve its vision. Specifically, management must make choices regarding how the institution will seek to create, preserve, and realize value for its stakeholders. The objectives and their subsequent execution, whether at the entity level or deeper within the institution, are a reflection of these choices.

These objectives can be strategic in nature or can fall into several other categories, including operational reporting and/or compliance, and they should be linked at different levels of the institution. SRC’s objective is to ensure that the total public compensation bill is fiscally sustainable. The Commission is thus required to develop a public wage forecasting model, which has the most relevant independent economic variables. In determining these independent variables, the model fails to have some important variables, introducing systematic risks. It’s in setting and achieving such objectives that risk exposure arises.

Risk management
SRC faces a wide range of uncertain internal and external factors. The effect of this uncertainty on SRC’s objectives is called risk. It can be either positive, representing an opportunity; or negative, representing a threat. A risk should always be assessed in light of setting and achieving an organization’s objectives. If there are no objectives, there is no risk exposure.

Having identified and assessed the relevant risks, and depending on the organization’s risk appetite or limits for taking risks, management can determine how best to manage these risks. The risk response may be acceptance, avoidance, reduction, or sharing, where a portion of the risk is transferred via insurance, hedging, a joint venture, or other technique. The final risk response could be exploitation, taking on more risk, or treating the risk as an opportunity.

This risk assessment process is both dynamic and iterative. Once SRC management has identified and assessed the risk in pursuit of its objectives,
proper risk management helps in making informed decisions about the level of risk it would want to retain, thus guiding implementation of the necessary controls.

**Internal control**

Internal control, as defined by COSO in its Internal Control—Integrated Framework (2013), is “a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.” Effective internal control is an integral part of an organization’s governance system and ability to manage risk. Therefore, the Commission, management, and other personnel do understand, affect, and actively monitor internal controls to take advantage of the opportunities and to counter the threats to achieving SRC’s objectives.

Since risk can never be fully managed, SRC has built resilience into all actions it takes so that it can respond adequately to significant changes in circumstances or deal with the effects of unforeseen consequences.

**SRC’s effective RMAIC building blocks**

Risk management and internal control at SRC has been effective because those involved clearly understand how they relate to their roles in setting and achieving SRC’s objectives. The Commission has integrated RMAIC through formal and informal channels into the elements of its system of management in which they are intended to operate, including the related objectives, activities, processes, systems, risks, and responsibilities.

In establishing an effective RMAIC, SRC management has focused on the following:

- Implementing a RMAIC framework and processes in accordance with the standard(s) and/or guidance leveraged by the Commission;
- Defining the SRC’s risk management strategy, approving the limits for risk taking where feasible, and determining the criteria for internal controls;
- Ensuring that RMAIC is part of all decision making and subsequent planning and execution;
- Monitoring changes in the internal and external environment, determining their effect on SRC’s objectives, and revising responses consistent with SRC’s policies for the management of risk;
- Reviewing the effectiveness of the risk management framework and processes on a regular basis; and
- Reporting to the audit risk and compliance committee on the performance, including the effectiveness of RMAIC arrangements and, where necessary, plan to address emerging significant issues.

**The SRC’s enterprise risk management policy framework**

SRC has implemented an effective and robust Enterprise Risk Management (ERM) policy framework built on both the COSO 2004 and ISO 31000 frameworks. Every department or unit head has risk responsibilities which are well defined in the ERM policy. They have ultimate responsibility to establish the context of operation, identify risks, undertake risk analysis, execute risk evaluation and formulate risk treatment measures. All risks identified and evaluated are usually communicated to concerned stakeholders within the Commission, and efforts for continuous monitoring and reviewing sustained.

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**RECIPE**

**Traditional Dried and Flavoured Roast Meat Stew**

*By: Susan Lukano, Assistant Director, Remuneration Analysis*

**Ingredients**

- 1 kilogramme of beef
- 3 large onions (sliced)
- 3 tablespoons of liquid cooking oil
- 6 cloves of garlic (crushed)
- 3 large tomatoes (sliced)
- Salt to taste
- 1 cup water
- Half a cup of meat tenderizer (use pawpaw or traditional tenderizer made from the sieved extract of dried bean stalks)

**Method**

- Sprinkle the meat with salt and roast the meat whole over a grill or a jiko fire until well done.
- Wrap the meat in aluminium foil and store in the refrigerator for two days.
- Remove the meat from the refrigerator and chop into sizable pieces.
- Add the onions sliced in small pieces and simmer until light brown.
- Pour the cooking oil into a shallow pan and heat over a moderate flame.
- Add the crushed garlic.
- Add the meat into the mixture of onion and garlic in the pan, cover and let it cook with occasional stirring until the meat is golden brown.
- Cut up the tomatoes and add to the mixture.
- Allow to cook for five minutes then add the tenderizer, water and salt to taste.
- Cook on a low flame for 45 minutes.
- Serve with ugali and traditional vegetables.

*Bon appetit!*
At independence in 1957, Malaysia was an agriculture-based economy just like Kenya. However, it has over the past seven decades had spectacular economic growth and is on track to achieve high-income status ahead of its 2020 vision. Kenya and Malaysia can be differentiated by systems, institutions, culture, and Malaysia’s discovery of its ‘true north’. While these may not mean much, they form a foundation for the working political and economic systems.

The Small Stuff Driving Malaysia: Key Lessons

By: Dr. David Muthaka, Deputy Director, Policy and Planning
Reflected as one of the Asian Tigers, institutions and systems in Malaysia work because the government plans for its employees. The government has ready houses for newly recruited public sector employees, in secure gated communities. A low-interest mortgage is available. The minimum basic pay for its employees is US$ 300 (Ksh 30,000). Moreover, a public employee is entitled to civil service house and entertainment allowances. Therefore, an officer joins the public service already motivated; with positive energy and enthusiasm. This contributes in promoting public service productivity.

Malaysia found the true north after 10 years of independence. It was discovered by a person who risked and offered leadership. Mahathir Mohamed offered leadership like that of Biblical Moses. While people may call it dictatorship, Mahathir indirectly inculcated a culture of walking the talk of leadership. Thus, Malaysians have a peculiar culture where they accept benevolent dictators, and a one-party rule. This has happened since independence, as they realized that it is for the good of the people.

The leadership created institutions and working systems which have helped Malaysia discover the ‘true north’. Anchoring to the ‘true north’ is a concept used to assist an institution or a country to identify its intermediate and long term goals, and focus its strategies towards that. One strategy they used was creating the Performance Management and Delivery Unit (PEMANDU) to drive their Vision 2020 goal of being a high income country. PEMANDU holds the compass to the true north, and the untold story of Malaysia transformation.

PEMANDU is equivalent to Kenya’s Vision 2030 delivery unit only that it operates in a different economic, social and political environment. PEMANDU identifies the key sectors that can transform the Malaysian economy. It uses the ‘blue ocean strategy’, a concept in the private sector where a company innovates and creates unlimited market in an overcrowded industry to escape the ‘bloody red ocean’ of rivals, competing for a shrinking profit pool. It is about innovation and thinking without a box, not just outside the box. The application of blue ocean strategy in the public sector enables PEMANDU to cross ministerial boundaries for funds, and apply private sector approaches to transform Malaysia’s public services.

PEMANDU advises the Prime Minister and commits the key ministers in charge of the transformational sectors to avail resources to make the sectors grow. The identified sectors ring-fence funds to ensure the identified projects are a success. They have put the Cabinet Ministers under performance contract, with identified KPIs, based on the selected sectors.

Another example of a working institution is the Employees Provident Fund (EPF). The ‘super super’ highways have a story well told by the EPF, an equivalent of Kenya’s NSSF. Money raised by EPF through pension is loaned to the government for infrastructure development; hence funding a good proportion of the highways in Malaysia. In return, employees in EPF are rewarded through bonus, sometimes amounting to six months basic salary. Pensioners, who contribute to EPF, are rewarded through dividends, which is loaded into their pension.

This country, which was once colonized by the British like Kenya, and which was reliant on agriculture for the first 10 years of independence, has a GDP per capita of about US$10,000; ten times that of Kenya. Resources without working systems and institutions cannot develop a country. The institutions will work with a defined culture of positivity. Kenya seems to be lost in its pursuit for its ‘true north’.

A popular quote embraced in this eternally ambitious roaring tiger is: ‘a bad system will defeat a good person every time’ (W. Edwards Deming).
MEET HON. COMMISSIONER

PETER OLOO ARINGO

By: Purity Njeru, Principal Communication Officer
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e has served 6 parliamentary terms totalling 35 years, 15 of which he served as a Minister in 5 Ministries, and has initiated several parliamentary reforms. Under the leadership of retired President Daniel Arap Moi, he was fired from his Ministerial job thrice, but somehow he would get his position back and soldier on. Hon. Oloo Aringo, a father of 13 children, is currently a member of Salaries and Remuneration Commission. A voracious reader and an orator per excellence, during his free time, he is either spending time with his family, reading, farming, watching football, or working with communities.

Q. What is your story before you joined politics?
I was born in a family of 11 children. My parents were peasants who owned 5 acres of land. My father was also a mason and he would get small contracts to build schools, residential houses and shops.

I schooled under a tree and learnt to write letters of the alphabet and numerical numbers on the soil using sticks. It was until I joined Standard 2 that I started using pens and exercise books. On completing my A levels, I joined Siriba College Diploma in Education, then became a teacher. In 1969, I joined University of Nairobi (BA Hons), after which I enrolled at University of Toronto, Canada, to pursue my Master’s Degree.

Q. Were you an activist in your college years?
I’ve always supported down trodden people because that is also my background. I feel that oppressed people need to reclaim their dignity. As a teacher, I joined Kenya National Union of Teachers (KNUT). Even as a student, I was an activist at University of Nairobi, joining Students Organization of Nairobi University (SONU) and taking part in every demonstration. At University of Toronto, I was involved in movements that advocated for the removal of the apartheid system and liberation of South Africa, the ending of the white minority government in Rhodesia and liberation of Namibia. We would organize protests and seek support from Canadians because most of these leaders were either in prison or exile. As students, we felt we had a responsibility and duty to bring freedom to these people.

Q. When did you join Kenya’s political scene?
While at Canada, I started my Doctoral programme at University of Toronto, and since I had completed my course work, I decided to come back to Kenya. On arrival in 1972, I discovered that people were warming up for elections. Thus, I ran for the Alego-Usonga seat of Parliament and was elected in 1974. I served 6 Parliamentary terms of 35 years. After one 5 year term, President Daniel Arap Moi appointed me first as Assistant Minister for Education, and after 6 months I was appointed a Cabinet Minister for Information and Broadcasting in 1980.

Q. How was your experience working with retired President Moi?
It was not easy, but I was strong enough. At times we argued and disagreed, but I would put my cards on the table. Sometimes he would disagree with me and sack me. He sacked me three times, but after a while he would call me back and ask me to work with him.

Q. You worked as a Cabinet Minister in 5 Ministries (Information and Broadcasting, Environment and Natural Resources, Ministry of Labour, Ministry of Education, and Ministry of Manpower Development), was there any challenging Ministry than another?
The Ministry of Education provided me with huge challenges. Although I had taught in high schools for 11 years and worked as a Lecturer at the Kenya Polytechnic and at the University of Toronto as Assistant Lecturer, none of these prepared me for leadership and policy making. The government had adopted 8-4-4 system of education to usher in a new philosophy of education for all, to expand literacy, to promote the acquisition of practical skills in vocational and middle level colleges, and to produce high calibre designers and research scientists that would lead Kenya to middle-level advanced industrial state. I had to take a sabbatical leave and visit USA to study the Community College System, and Germany to study the dual system which balances theory and practice in education, and technical education in Japan.

Q. What was your biggest highlight as a politician?
Kenya was operating under imperial Presidency. Both the legislature and the judiciary were emasculated and became appendages of the executive government. Parliament became a rubber stamp of the President’s decisions made outside Parliament. This unaccountable power created dictatorship. I resigned from the Cabinet to lead Members of Parliament in the Parliamentary reforms. I initiated private members bill which was enacted into law to create the Parliamentary Service Commission and the Parliamentary Service. This law weakened the control of the President. The parliamentary service became a public service dedicated to the service of Parliament separate from the civil service.

Second, I initiated the budget law and the budget office that gave parliament finance autonomy. This ushered in the people’s parliament that can exercise oversight over the President and the executive government.

Q. What other Parliamentary reform programmes did you initiate?
The national disaster and safety management bill, 2000; promotion of national unity and reconciliation bill, 2001; the constitution of Kenya (amendment bill 2002); Yala swamp development project motion (1998-2000); legislative motion to amend NSSF act, cap. 258 to convert the fund into a state pension fund; legislative motion to introduce a bill in the house to repeal the irrigation act (cap. 347) and to replace the same with an appropriate law; legislative motion to amend the Kenyan post office savings bank act (cap. 493b) to convert it into a bank to lend money to low income individuals and households; legislative motion to amend the education act (cap. 212) laws of Kenya to make secondary school education free and compulsory for all children in Kenya and to provide for mandatory 12 years basic education, among others.

I also piloted through Parliament Bills which were enacted into law to create Moi, Maseno and Egerton public universities.
Q. Do you miss being in active politics?
I don’t miss it, because everything in life is politics. Our social life, for example when you prohibit marriage between blacks and whites like it was in South Africa, is political. Everybody is a politician, the difference is in where you practice it.

Q. So were you ever threatened?
Oh yes, and I still get threats. I even get people who intimidate me. However, if you are a weakling, you should not be in politics. You need to be strong enough to confront the situation and challenges as they come.

Q. Kenya before and after the constitution of 2010. What are your thoughts?
I support the new constitution because I was very unhappy with the imperial Presidency, in which the office accumulated vast powers. A lot of people suffered. One could not even question the President. People thought it was criminal. We did not even know what the President earned and you could not ask, yet he was being paid from our taxes. If you attempted to ask, you would be threatened with detention without trial. When I became a Minister I realized that this was so vast, so I decided to change and join the groups that wanted constitutional reforms. I wrote to the President and told him that I could no longer serve him because I felt that we must open up society, and the democratic forces. I joined the democratic movement of change, and I was in the 1st constitutional discussions at Bomas of Kenya. The President then dissolved parliament, and I was offended because we were almost getting the new constitution then he sent us home terminating the discussions. With time though, a new Constitution was achieved.

We are now consolidating the democratic system, and some institutions like the commissions are as a result of the new constitution intended to open up space and people’s participation.

Q. As a commissioner, what is it that you want to see different?
To restore justice between the highest and the lowest paid. The gap between the two is scandalous. For example, in the same office you will find that a CEO earns Ksh 2 million and a messenger Ksh 9,000, yet these two people are seeking the same services. This gap has to be reduced, and it doesn’t matter how long it will take, but job evaluation will address this issue. The purpose of the job evaluation is to assess
the jobs, and get their worth. We have already done job evaluation for State Officers. We brought the President’s pay down from almost Ksh 3 million to Ksh 1.6 million. We reduced that of the Vice President from about Ksh 2.5 million to almost Ksh 1.1 million. We are going to do the same for public officers to streamline pay. Some people may stagnate because we cannot take away their salaries, but we will bring others up. The economy will afford it, if corruption and theft is stopped. This is what is bringing this country down.

We are trying to bring back justice in the public sector remuneration. Public service is the instrument which the government uses to bring goods and services to the people and if there is discontent, then there is a problem. If public servants are properly rewarded, the government has an instrument to bring about change. One should be proud as a civil servant, an employee of a parastatal, or as a teacher.

Q. Did you face challenges after releasing job evaluation results for State Officers?
Yes, and the challenge was with members of parliament. This was because the power of determining salaries had shifted from them to the Commission, and they did not like it. Finally, they agreed and we have not had problems since then.

Q. How do you achieve work life balance?
I enjoy myself. I have a wife and 13 children. I also impart communities (on issues affecting them) where I live. I have learnt to survive and work within the communities, including political ones. More so, I love reading, farming and watching football.

Q. What is your day like?
Besides SRC, I do consultancies. I work with Parliaments. Members of Parliament in different countries invite me to assist them with developing parliament, because most parliaments were inherited from colonialists or after coups. A parliament like that of S. Sudan requires assistance if the MPs have to be effective. I also train MPs on proceedings, standing orders and restructuring of institutions so that they can be more democratic with the aim of promoting good governments. At the moment, I am working with around 11 parliaments.

Q. What has been your biggest edge to get where you are now? Religion, personality, work ethic, luck etc?
Religion, however I am not a fanatic. Some religions lay a good foundation for character development. The Catholic Church had an influence in my development. I went through the system, learnt the discipline of studying and learning that helped me to progress up to university level.

Q. Who is the most influential person in your life?
My late parents were a great influence. My father was a disciplinarian. He was hard on me since he wanted me to excel. I received a lot of corporal punishment as he believed in spare the rod spoil the child. This impacted on who I am today, including my socialization.

Q. Are you happy with your achievements so far?
Yes, moving from a goat herder to a Cabinet Minister is a big stride for me. My children also ask how I was able to get there, and I always tell them self-discipline. You must be upright with upright discipline and focus. You don't ride a bicycle by looking at the wheels, you must focus on where you are going.

Q. What is the one thing you would change today given a chance?
I want a more democratic society. Kenya lacks leaders; leadership that is visionary and committed to the society that we want to create. We have been overtaken by excessive greed. People want enormous wealth quickly using unorthodox means, including corruption. This country is potentially very rich, but the vision of servant leadership is not there. Unfortunately, this is not only in the political field, but all institutions in this country are suffering because everywhere you go, people are interested in their own survival and what they can make personally. The greed has spread to the counties, down to the wards and villages. We have lost moral ethics.

Q. What is your advice?
To restore this, we need people who are committed. They do not have to be many. The time of Jesus, he confronted the fallacies. We have had good leaders in Africa like Nelson Mandela. Julius Nyerere helped Tanzania to become a cohesive nation. He may not have succeeded economically, but he helped Tanzania politically. The tribalism in Kenya is not in Tanzania, and that is an achievement. I am a great admirer of Mahatma Gandhi, he influenced Indians to believe that health is wealth. We have a responsibility in Kenya to promote servant leadership.

Very few of the current leadership can match what I am asking for. They are too deep into the corruption scandals. It doesn't matter which party they are in, they are all the same. Some of the leaders have been involved in goldenberg, anglo leasing and are thus part and parcel of the problem. However, soon people will be angry and throw them out. It takes time for the people to revolt, but eventually it happens.

Q. Your next point of action?
To serve at SRC and try to bring change on issues of inequality. It does not have to be drastic, but if we can bring that change and set a good example of rewards for people in the public service, it will bridge gaps between the highest and lowest paid, and the rich and poor.

Q. Best food?
I enjoy fish.

Q. You have a rich history of this country’s political landscape. Have you thought of publishing a book?
I will publish personal memoirs.

Q. Parting shot?
I wish the country could discover the missing link, which is good leadership. If we discover that, Kenya shall be restored.
Consultative Forum on Public Sector Labour Productivity Measurement and Recognition

The Commission held a consultative forum on public sector productivity measurement and recognition on April 26, 2016. The event which was graced by the PS of Labour, Dr. Khadijah Kassachon, attracted 42 participants drawn from the public sector, development partners and trade unions.

Dr. Kassachon noted that any productivity intervention should be worker friendly, skill based and motivating to create a good relationship between the employer and employee. “Issues of punitive measures should be avoided,” she observed.

Commissioner Brig. (Rtd) Samuel Kirugi, who represented the SRC Chair, noted that government’s efforts on performance recognition were initiated in 1993 through the Public Sector Reform Programme (PSRP). The government’s aim was to make public service efficient by having qualified and optimal staffing levels in the civil service. In spite of this intervention, no conclusive existing measurement of productivity was undertaken to determine performance. In 2004, the government introduced Performance Contracting System which led to a more organized and efficient public service; however, measurement of productivity has never been conclusive.

Commissioner Kirugi noted that SRC recognizes that performance, through an objective measurement, will create harmony in the relationship between employee and employer, afford unions and employers an informed platform for negotiation, hence create good labour relations and enhanced stability in work environment, among other benefits. He reiterated the Commission’s belief that “What gets measured, gets done.”

During the meeting, it was noted that productivity was both interesting and controversial, depending on the side of the table one sits. Therefore, the indicators and benchmarks to be used should be carefully thought out. Commissioner Anne Owuor added that the public service needs to get out of the status quo where wananchi do not get the services they deserve, hence the urgent need for measuring productivity.

Participants noted that understanding the underlying factors of productivity, benchmarking, laying down a legal framework, leveraging on existing data, conducting research, stakeholders involvement among other factors were important factors to assess so as to come up with an objective criteria for public sector labour productivity measurement and recognition.

More so, union officials observed that there was need to stratify productivity measurement for all sectors. “Create strata for different sectors and professions and develop a unique criteria for each given that people’s jobs are different as per their professions and the working conditions,” observed an official from Kenya Medical Practitioners Pharmacists and Dentists Union (KMPPDU).

Teaching Service Job Evaluation at the Counties

Job evaluation for the teaching service across the 47 counties was conducted between March 07 and 12, 2016. The process, which was participatory, had the teachers filling in the job description analysis questionnaires so as to develop job descriptions for the various jobs in the teaching service.

Historically, public sector’s remuneration and benefits have been set through ad hoc committees and commissions. This led to salary structures that are inequitable leading to discontent, low morale, inefficiencies and frequent industrial unrest.

The exercise marked the beginning of eliminating disparities in the teaching service, while promoting performance and productivity. By participating fully and providing accurate information about the jobs, teachers would know the true worth of their jobs.

The teaching service job evaluation is a major undertaking, given that the teaching service has grown and transformed over the years. Currently, there are 210,897 primary school teachers; 76,961 secondary school teachers; and 8,967 teachers in tertiary institutions.

The job evaluation exercise is an objective criteria for managing remuneration. It will create harmony in the relationship between employee and employer, afford the unions and employers an informed platform for negotiation hence create good labour relations and enhance stability in work environment, among other benefits.

SRC launched the job evaluation exercise for the teaching service in Nairobi at Kenya Institute for Curriculum Development on 8th February, 2016.
New Appointments
The Commission continued to attract new staff. Duncan Otieno joined SRC as a Research Assistant.

Bundles of Joy
The following staff were blessed with bundles of joy. Charles Ketter was blessed with Haman Ketter; and Grace Mwangi with Nathan Mwai.

Job Evaluation for Disciplined Forces; and Research Institutions, Public Universities and Tertiary Education

SRC has contracted The Consortium (AON Kenya Insurance Brokers Ltd, Mucmar Management Concept Ltd and Parker Randall East Africa) to undertake job evaluation for Disciplined Service Sector; and Public Universities, Research & Tertiary Education Institutions Sector. The broad objective of this exercise is to evaluate the positions and jobs in the two sectors. Specifically, the job evaluation exercise is expected to determine the comparable worth of jobs and produce a rationalized, harmonized, defensible and equitable grading structure. The results will be used to grade the positions, and develop compensation structures that will be a basis for setting and reviewing remuneration and benefits.

Several institutions are to be evaluated during this exercise. In the Disciplined Services Sector, there are 8 sub-sectors including Kenya Defence Forces; National Intelligence Services; Kenya Police Service; Kenya Prisons; Kenya Forestry Services; Kenya Wildlife Service; Witness Protection Agency; and National Youth Service. On the other hand, the Research, Public Universities & Tertiary Education Institutions comprise of 45 Research Institutions; 33 Public Universities; and 59 Tertiary Institutions.

The job evaluation project for these two sectors is expected to be completed in November, 2016. Thereafter, a harmonization exercise will ensue.

Stakeholders Attend Sensitization Workshops

SRC held stakeholders job evaluation sensitization workshops on June 29 and 30, 2016. Stakeholders drawn from Disciplined Services Sector; and Research, Public Universities and Tertiary Educational Institutions Sector were sensitized on the job evaluation process.

In her opening remarks, the Chairperson of SRC, Mrs. Sarah Serem, noted that the fruits of the exercise will be a better public service, improved performance and productivity, and growth in the economy. “Ultimately, the job evaluation will facilitate development and implementation of equitable and harmonized remuneration and benefits structure within the public service,” she observed.

Over 470 participants attended the workshops including Cabinet Secretaries, Permanent Secretaries, Inspector General, Vice Chancellors, Heads of Research and Disciplined Service Institutions, Regional and County Commands, Principals, Human Resource Professionals among others.

One Little Thing

Wangari Maathai once said “It’s the little things citizens do. That’s what will make the difference. My little thing is planting trees.”

SRC did one of its little things by visiting Thomas Barnardo House located on Lang’ata road on April 03, 2016. Various items were donated including clothes, sugar and money. Thomas Barnardo House is the flagship project of Kenya Children’s Home (KCH) and is home to up to 200 orphaned, destitute and abandoned babies and children at any one time. Since its inception, KCH has grown significantly, extending its support far beyond the reach of the Nairobi orphanage, with the commencement and development of many other community projects throughout Kenya.