

The logo for the Salaries & Remuneration Commission (SRC) is centered in the background. It features a circular arrangement of stylized human figures in shades of orange and red, surrounding a central white circle containing the letters 'SRC' in a bold, orange font.

WAGE BILL MANAGEMENT

Presentation during

The IMF Mission Visit

25th May 2015

Salaries & Remuneration
Commission

R e w a r d i n g p r o d u c t i v i t y

Presentation Outline

- 1) Background Information
- 2) Job Evaluation
- 3) Policy Preparation Process
- 4) The Draft Remuneration Policy
- 5) Way Forward
- 6) Conclusion
- 7) Appreciation

Mandate of SRC

The Salaries and Remuneration Commission (SRC) is established under chapter 12, Article 230 of the constitution of Kenya, 2010 and mandated to;

Set and regularly review the remuneration and benefits of all state officers.

Advise the national and county governments on the remuneration and benefits of all other public officers

Background information

- ❑ Commission inherited a Public Service remuneration structure that did not recognise/reflect productivity;
- ❑ Remuneration and benefits were set through ad hoc Committees and Commissions and undue pressure from unions;
- ❑ Many public service institutions determined their salaries independently;

Salaries & Remuneration Commission

Background information cont'd

- ❑ Consequently, there was great vertical and horizontal disparity and inequity in the payment of remuneration and benefits leading to discontent and frequent industrial unrest.
- ❑ The Government set several commissions one of which was the Kipkulei Commission that was set up to facilitate harmonization of remuneration in the Public Service
- ❑ The Commission recommended the establishment of the Permanent Public Service Remuneration Review Board which was in place until the SRC was established
- ❑ The creation of SRC in the Constitution of Kenya 2010 is an effort to bring all remuneration in public service under one organ

Remuneration Setting for State Officers

- To address the noted challenges and to ensure that the remuneration determined thereafter, is guided by objectivity, is defensible and acceptable, the SRC undertook a Job Evaluation for State Officers in 2012
- Most of the state officers were interviewed, positions assessed and a relative grading structure was determined.
- Remuneration levels were then attached to the positions after conducting a salary survey.

Salaries & Remuneration
Commission

Benefits of the Job Evaluation for State Officers

- Reduction of compression ratio from 1:57 to 1:10 from the highest to the lowest paid state Officers
- Standardised structure removing disparities brought about by allowances
- The Worth of every job was determined
- Savings on the wage bill

Job evaluation for Public Service

- The Commission has embarked on a job evaluation exercise for the entire public service.
- The exercise aims **to streamline** the public service sector, and also support the **government's transformation strategy** thus improving its performance and service delivery, a critical ingredient for sustainable wage bill
- The objective of JE is to determine the **relative worth of jobs** while advising **remuneration and benefits** for state & public officers
- The job evaluation is expected to structurally set ***equal pay for work of equal value*** in the public service across all cadres

Additional Efforts towards Wage sustainability

1. Advice on remuneration and benefits for the Public Officers
2. Harmonization and restoration of equity in remuneration cycle
3. Policy and legal framework – management of CBA hence reduction in industrial unrest
4. Undertaken a critical analysis of Allowances Payable to the Public Service;
5. Currently undertaking the Job Evaluation for the wider Public Service.
- 6. Preparation of a Remuneration and Benefit Policy**



**Remuneration and Benefits
Policy Development Process**

Salaries & Remuneration
Commission

R e w a r d i n g p r o d u c t i v i t y

Stakeholders involved in the process

- Over 8,300 Kenyans attended the public discourse across the 47 counties. Participation included;

Public Servants

Parliamentary
Budget and finance
Committee

Persons with
Disability

Mwananchi

Legislators

Retirees

The Youth

Professional
Associations

Constitutional
Commissions.

Unions

Technocrats



The Draft Public Service
Remuneration
and Benefits Policy

Salaries & Remuneration
Commission

R e w a r d i n g p r o d u c t i v i t y

Policy Background

- For over 50 years now, determination of public sector remuneration in Kenya was being undertaken by different bodies with varying outcomes.
- The lack of overarching policy and a centralized institutional framework for pay determination resulted to;
 - ✓ **inequalities** within the different cadres and institutions;
 - ✓ **perpetual agitation** for higher pay;
 - ✓ **frequent industrial unrest**; and
 - ✓ **unsustainable wage bill**.

The logo for the Salaries & Remuneration Commission (SBC) features the letters 'SBC' in a bold, sans-serif font, centered within a circular emblem. This emblem is surrounded by a ring of stylized human figures in various shades of orange and red, suggesting a diverse group of people. The entire logo is set against a light, textured background.

The Purpose

To achieve an effective remuneration and benefits system, where all public sector employees are satisfied that they are fairly, equitably and transparently compensated for their labour.

Salaries & Remuneration
Commission

Specific Policy Objectives

- A wage bill that is **fiscally sustainable** & aligned to the tenets of national development;
- Public Sector as a **competitive employer** for highly competent technical and professional personnel;
- Fully **transparent, fair and equitable** Public Sector remuneration and benefits system; and
- **Productivity and performance-related pay** that is the dominant component of the remuneration and benefits package for Public Service employees

The Situation Analysis

1. Unsustainable Public Sector Wage bill;
2. Inability to attract and retain adequate number of competent technical and professional staff.
3. Remuneration and Benefits Practices that do not promote Productivity and Performance;
4. Unfairness and inequity
5. Remuneration Systems do not support Professional Development and Career Progression
6. Unfair, inadequate and unsustainable retirement benefits

The Situation Analysis cont...

7. Remuneration System is not aligned to the National Development Strategy;
8. Non appreciation of SRC Mandate
9. Alignment of Remuneration System to National Development Goals
Absence of a shared National Philosophy on Remuneration and Benefits

Salaries & Remuneration
Commission

Policy Objectives

1. To achieve and sustain Public Sector wage bill
2. To achieve competitive Public Sector remuneration and benefits packages
3. To promote fairness in the Public Sector remuneration and benefits system
4. To restructure the remuneration and benefits system to support professional development and career progression

Salaries & Remuneration
Commission

Policy Objectives conti..

5. To achieve full transparency of Public Sector remuneration and benefits
6. To achieve fairness, adequacy, affordability and sustainability in retirement benefits
7. To promote productivity and performance related pay.
8. To institutionalize procedures for determination of remuneration and benefits across the Public Sector

Implementation Framework

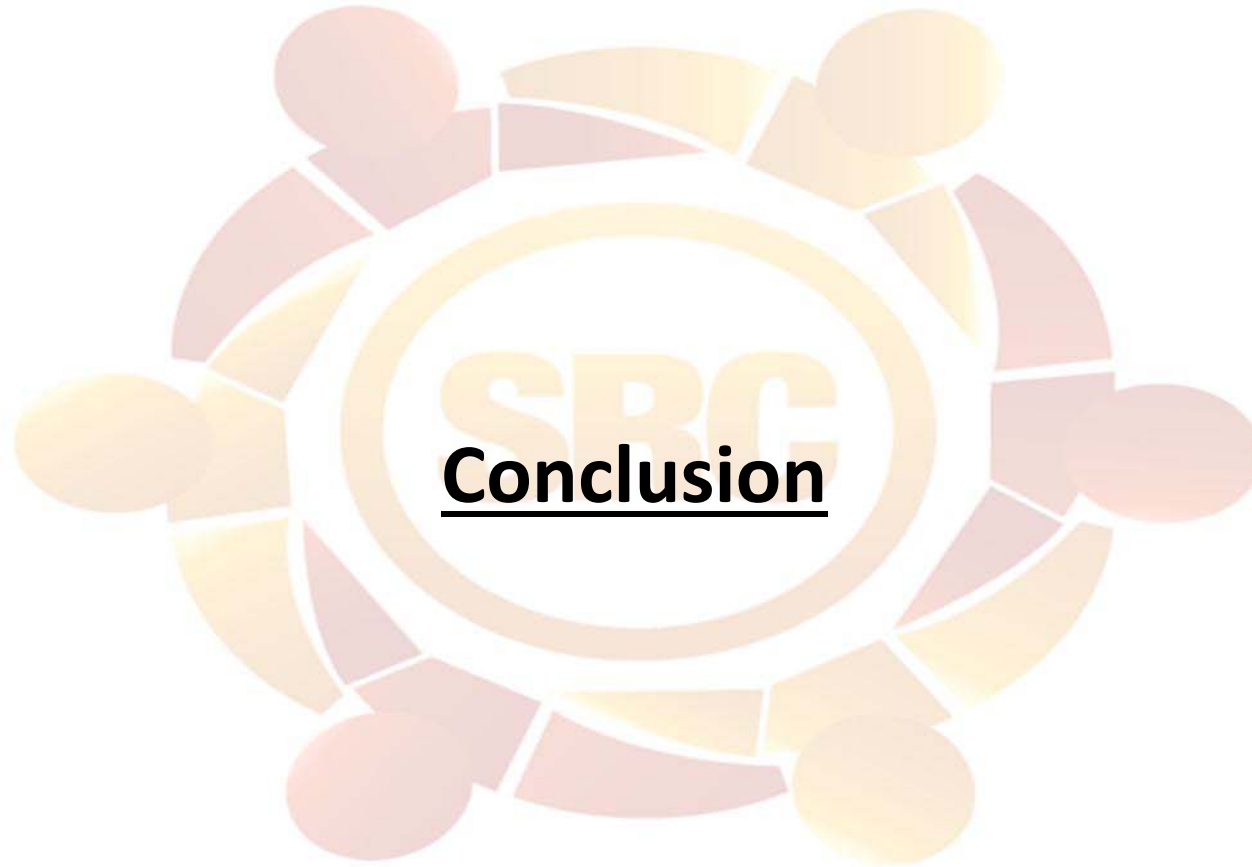
- The Remuneration and Benefits Policy is a public service-wide policy document whose implementation will be done by all State Organs.
- A bill for an Act of Parliament will be drafted to deal with policy issues that may require enforcement mechanism
- A medium and long term monitoring and evaluation framework will be developed to ensure policy objectives are achieved.
- Annual M&E reports will be prepared and distributed to all key stakeholders.
- A draft implementation matrix is attached.

The logo for the Salaries & Remuneration Commission (SRC) is centered at the top. It features a circular arrangement of stylized human figures in shades of orange and red, surrounding a central white circle containing the letters 'SRC' in a bold, orange font.

Way forward

- Publishing of the Policy
- Preparation of Legislative Framework to support implementation of the Policy.

Salaries & Remuneration
Commission



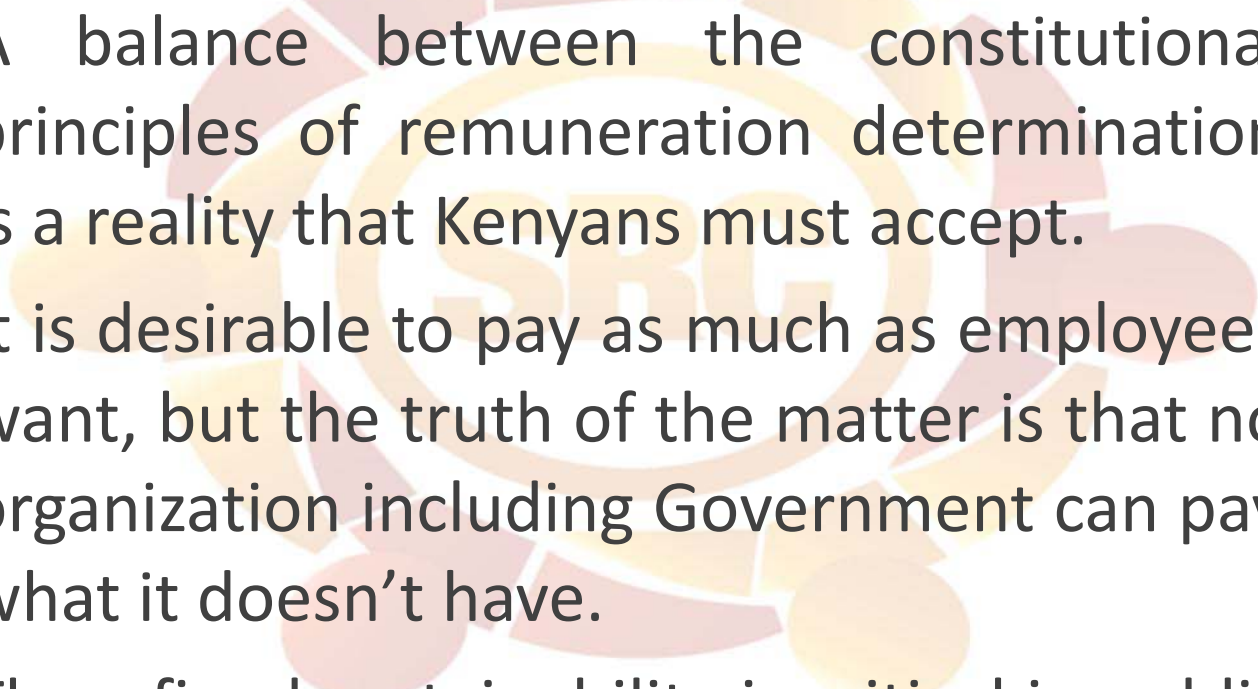
Salaries & Remuneration Commission

❑ In our view consensus building and pulling together by all arms of Government, all public service and the general public on economic development of this country is vital;

❑ appreciation of the gravity and impact of the wage-bill issue;

❑ SRC work really is to ensure that all arms of Government deliver to the people the Constitutional promise recorded under Article 43.

Salaries & Remuneration
Commission

- 
- ❑ A balance between the constitutional principles of remuneration determination is a reality that Kenyans must accept.
 - ❑ It is desirable to pay as much as employees want, but the truth of the matter is that no organization including Government can pay what it doesn't have.
 - ❑ Thus, fiscal sustainability is critical in public remuneration determination.

Salaries & Remuneration Commission

R e w a r d i n g p r o d u c t i v i t y



**THE
END**

**THANK
YOU**

Salaries & Remuneration
Commission