



**SPEECH BY THE CHAIRPERSON, SALARIES AND REMUNERATION COMMISSION
DURING THE END OF TERM CEREMONY FOR THE FIRST SRC COMMISSIONERS
AND THE LAUNCH OF SRC REPORT, 2011-2017;
5TH DECEMBER, 2017**

- **Your Excellency, The Deputy President of the Republic of Kenya, Hon. William Ruto**
- **Speakers of the National Assembly & Senate**
- **Chief of Staff and Head of Public Service, Dr. Joseph Kinyua**
- **Cabinet Secretaries**
- **Governors**
- **Principal Secretaries present**
- **Chairpersons & Commissioners of Constitutional Commissions & Holders of Independent Offices**
- **Distinguished Guests,**
- **Ladies and gentlemen**

Good morning,

It gives me great pleasure to welcome you to this end of term ceremony and the launch of Salaries and Remuneration Commission (SRC) report, 2011-2017.

The theme of the event is **“The six year journey in public service remuneration management.”**

SRC is established under Article 230 of the Constitution of Kenya to; set and regularly review the remuneration and benefits of all State Officers; and to advise the national and county governments on the remuneration and benefits of all other public officers.

Your excellency:

When the first commissioners were appointed and sworn into office in January 2012, we had to start from scratch. We found ourselves having to literally clear the bushes! I can now look back and say the bushes were then foreboding that it required us to have steely hearts and strong determination.

A new government was going to be elected into office in March, 2013 and the new salary structure and policy guidelines were to be put in place before then. The public service on the other hand immediately placed high expectation on this new body called SRC to instantly bring equity and fairness in remuneration.

So it was in January, 2012, 5th January 2012 to be exact that the SRC Commissioners came together and held its first meeting, just a few days prior to the swearing in. Though just a preliminary meeting it was absolutely important that we met to set the tone for the challenge ahead. The 13th floor at NHIF Building was our first home. The idea was first to get to know each other and secondly understand the object of our existence. We needed to understand and unravel the expansive mandate that was handed to the men and women charged with the responsibility of bringing order and sanity in the public service remuneration system. There was no luxury of time.

We had all come from different backgrounds and organizations and we were going to work together for a term of six years. Looking back, I must say it has been a rollercoaster of a journey that required single-mindedness of purpose, sacrifice, hard work and teamwork. There were times, and I am sure even my colleagues went through this, when one would ask himself or herself if it was really worth going through what we faced. I am glad we stood together and driven by a sense of duty, soldiered on. I salute the SRC Commissioners for working as a team despite the many challenges.

What we have achieved as a Commission has been made possible by the critical role and support from a competent secretariat. There were days we would leave the office at 1 am in the morning and expect everybody to be on their desks on time for another grueling day. Our Secretariat has been the bedrock of the commission and I have no doubt in my mind that there will be continuity together with the incoming

commissioners. This is a team of highly qualified professional staff who have beaten all the odds to prepare well researched and analyzed reports. I therefore wish to thank them for the good work and wish them every success in the years to come.

Your Excellency, ladies and gentlemen:

From the day SRC was established, we had a continuous stream of institutions coming in wanting to know our precise role in their affairs. Our goal was to have them on board entirely by demonstrating to them that the system we had adopted was fair and objective. It is understandable that the whole approach of remuneration management system was a change process that was bound to face some resistance. This situation is still a challenge that requires persistence and focus.

In order to equip ourselves with the requisite information, we visited several countries; the first one being South Africa which has a well-developed remuneration and benefits system. Others are, but not limited to, Malaysia, USA, Canada, India, Ghana and Finland. These countries have an advanced human resource management policy framework which was instrumental in helping us develop our job evaluation plan and other strategies.

Your Excellency:

There were very interesting moments as well! You will recall that the new Members of Parliament in 2013 came into office with a sense of entitlement as they were used to setting their own salaries as they deemed fit. We are forever grateful to God for giving wisdom to the framers of our Constitution who not only saw the need for a body like the SRC but also gave it protection from the whims of anybody.

The Commission, despite all these challenges, has achieved a lot over the last six years which is attributed to the goodwill of all stakeholders and teamwork within the SRC family. Some of the achievements include;

First; Development of Remuneration and Benefits Policy; The aim of this policy is to ensure that all public sector employees are fairly, equitably and transparently compensated for their labour while ensuring fiscal sustainability of the public wage bill. The broad objectives of the policy are: To promote a wage bill that is fiscally affordable and sustainable and aligned to the tenets of national development.

Second; wage bill sustainability; to address the question of unsustainable wage bill, SRC has adopted several strategies which include; Temporary freeze on wage review; adoption of 4 year review cycle; Job evaluation for the entire public service; Development of remuneration and benefits policy and Review and harmonization of allowances. Through these strategies, the wage bill has marginally reduced as a factor of revenue despite the establishment of more offices through devolution.

In order to attain the acceptable wage bill ratios and meet the development agendas, we still have a lot to do. The government institutions need to take a holistic approach on issues that have direct impact on wage bill and especially address the two variables; the pay levels (values) and the numbers which determine the wagebill. Whereas SRC's strategies have majorly centred on the values as per the mandate, the same has not created the desired impact given that the number of employees has continued to increase especially over the last 4 years.

Third; Job Evaluation; The Commission boldly carried out job evaluation exercise for the entire public service. The exercise which was launched by H.E. the President of Republic of Kenya on 5th June 2015 and concluded in the first half of the year 2017, was a historic assignment whose fruits will be felt in years to come. We are confident that the results of the exercise will eventually provide a rational basis for equitable remuneration and create harmony in the relationship between employee and employer. The achievements are many and are well captured in the SRC Report which Your Excellency will launch today.

Your Excellency, Ladies and gentlemen:

Our journey would have been incomplete without the media. The media has been one of our greatest bulwark in terms of defending our mandate and dissemination of information. They have walked with us throughout our entire journey.

Equally, we appreciate the various unions and their umbrella bodies for the various engagements we have had over time. It has been a tough period, understandably being a change approach to remuneration setting but all parties eventually played their roles effectively.

I also wish to pay tribute to Kenyans for believing in the Commission and standing out to defend it when under threat. We have literally battled one case after another in courts and in other forums.

Your Excellency, Ladies and gentlemen:

All these achievements have not been without challenges. Clamor for higher pay without commensurate productivity, persistent threat of industrial unrest, proliferation of allowances and inadequate compliance. As a Commission, we are still concerned about the unsustainable wage bill which has been steadily rising over the past few years.

It is worth noting that the wage bill has increased from **Kshs.465 billion in 2012/13** to **Kshs.627 billion in 2015/16**, and is expected to rise to approximately **Kshs.650 billion** by the end of **2017/2018** financial year, an average increase of 11 % annually despite the fact that the revenues are not rising at the same ratios. Our medium-term target is below 7 percent of GDP which is the benchmark prevailing in most developing middle-income countries.

As I conclude your excellency, ladies and gentlemen; I wish to salute the National Government led by His Excellency the President, Hon. Uhuru Kenyatta and you as his deputy for giving me the opportunity to lead this wonderful Commission and believing in us as a team to deliver the mandate. Equally we thank the National Assembly and the Senate for the enabling legislative environment. The county governments have been the bedrock in implementation of our mandate.

On the same breath, we thank the Judiciary for the interpretation of our mandate and not to forget the Constitutional Commissions and Independent Offices for the collective responsibility especially in responding to the calling under article 249 of the Constitution

of Kenya of protecting the sovereignty of the people and promoting constitutionalism. I know there are days that you feel like giving up, but don't, there are days when you feel you don't have what it takes, but you do, there are days when everything seems to be falling apart, but they won't. For the sake of this nation, you must press on for things will work out well. For there will be days when you look back and say I am glad I never gave up.

Finally, to the people of Kenya. You gave unto yourselves the constitution in order to protect your sovereignty. Resources must be channeled towards sustainable development and to achieve this, all players must act in accordance with the constitution and the rule of law. Let's respect and support our institutions. Let us be a cultured and disciplined society for we owe to our children and future generations.

Once again, I wish to sincerely thank your Excellency for finding time out of your busy schedule to grace this occasion. We are honored by your presence. To all the guests, a big thank you and God bless you.

Sarah J.C. Serem (Mrs.)

CHAIRPERSON SALARIES AND REMUNERATION COMMISSION