



REPUBLIC OF KENYA
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STATE DEPARTMENT FOR LABOUR AND SKILLS DEVELOPMENT
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1st August 2024

All MDAs

PRODUCTIVITY IMPROVEMENT IN MINISTRIES, DEPARTMENT AND AGENCIES

Reference is made to the letter Ref. No. MOPS/PSPMU/ADM/VOL.1 dated 19th July 2024 on performance guideline Financial Year 2024/25 (21st Cycle).

All MDAs are required to undertake productivity improvement as one of the PC indicators.

The Performance indicator is divided into two Streams as follows;

Stream A: Productivity index improved. This is Applicable to MDAs that have established a baseline productivity index.

Stream B: Productivity index established. This is Applicable to MDAs that are yet to establish a baseline productivity index.

In order to achieve implementation of this indicator;

MDAs in Stream A are expected to achieve the following targets:

- I. Develop workplace productivity improvement strategy (20%); -1st Quarter

The goal of a productivity improvement strategy is to move

beyond measurement to implementing counter measures to address sub-optimal productivity achievement in the organization's metrics to improve the overall productivity index. The strategy will identify the root causes of sub-optimal productivity in the organization, come up with countermeasures to remedy the identified root causes, and develop an implementation plan outlining the countermeasures prioritized and the timelines for implementation.

- II. Implement Workplace Productivity Improvement Strategy; (30%); - 2nd & 3rd Quarter.

Organizations to actualize the productivity improvement plan developed in 1st Quarter. Monitoring and evaluation should be done periodically to ensure the implementation plan is on course.

- III. Validate data and Compute productivity index (20%); - 4th Quarter
- IV. Improved index (26%)
- V. Submit quarterly performance reports to NPCC using the prescribed formats (4%).

Stream B: Productivity index established. This is Applicable to MDAs that are yet to establish a baseline productivity index. They are expected to achieve the following targets:

Create an Enabling Environment for Productivity Mainstreaming in MDAs- 1st Quarter

For successful implementation of Productivity Measurement (establishing a baseline productivity index) MDAs are expected to create an enabling environment by ensuring the following:

- I. Establish and operationalize a Productivity Mainstreaming Committee;
- II. Train Productivity Champions; and
- III. Create awareness/sensitization on productivity mainstreaming for all staff.

NOTE:

NPCC will assist MDAs create the enabling environment by undertaking awareness creation and training of Productivity Mainstreaming Committee and or Champions of the respective MDAs.

All activities undertaken during establishment of enabling environment for Productivity Mainstreaming are not scored.

(I) Develop Productivity Metrics (40%); - 2nd Quarter

MDAs Productivity Metrics will be derived from their respective Strategic Plans and are developed using the Objective Matrix (OMAX) Productivity Measurement Method.

NOTE:

The Productivity metrics developed should address the sub-factors enumerated below:

Sub- Factor	Metrics (developed by MDAs with assistance of NPCC)	Weight to be assigned to the respective metrics with assistance by NPCC using a Scientific Formulae.
Operational Efficiency	a) b) c)	
Labour Performance	a) b) c)	
Citizen Participation	a) b) c)	

NPCC will guide and assist MDAs develop Productivity Metrics using the tool below:

THE OBJECTIVE MATRIX MODEL

	Metric 1	Metric 2	Metric 3	Metric 4	...Metric n	Productivity metric Metric Results
Scores						10
						9
						8
						7
						6
						5
						4
						3
						2
						1
					0	

	Score	Weight	Value	
				Total Productivity score

NOTE:

- a) MDA's Productivity Metrics should be at **least eight but not more than fifteen**.
- b) The **pair-wise** comparison matrix and the **Saaty Scale** below will be used to weight the metrics:

Magnitude of Numerical Rating Importance, Significance		Inverse Rating
Extreme	9	1/9
Very Strong	7	1/7
Strong	5	1/5
Moderate	3	1/3
Equal	1	
Intermediate	2,4,6,8	1/2, 1/4, 1/6, 1/8

(ii) Develop productivity management framework (10%)- 2nd Quarter

The framework will outline how productivity will be managed at the MDA pointing out the thematic areas/metrics chosen and the quarterly reporting of the indicator

(iii) Compute Productivity Index (46%); - 4th Quarter

MDAs shall collect and report on Productivity Measurement Data.

NOTE:

Data collected during this phase is for the respective Metrics and will be applied during the Computation of the MDA's Productivity Index.

(v) Submit quarterly performance reports to NPCC using the prescribed format (4%).

Prescribed reporting format/s are found under the download session; Productivity mainstreaming in MDAs on the ministry of Labour and Social Protection website.

MDAs are encouraged to seek further clarification and guidance by contacting Office of the Principal Secretary via; email: ps@labour.go.ke and a copy of the same to productivitycentre@labour.go.ke.

Yours sincerely,


Shadrack M. Mwadime, EBS
PRINCIPAL SECRETARY