



MINISTRY OF LABOUR AND SOCIAL PROTECTION

STATE DEPARTMENT FOR LABOUR AND SKILLS DEVELOPMENT

NATIONAL PRODUCTIVITY AND COMPETITIVENESS CENTRE (NPCC)

REPORT ON PRODUCTIVITY MANAGEMENT IN THE PUBLIC SERVICE

FINANCIAL YEAR 2024/2025



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REPORT ON PRODUCTIVITY MANAGEMENT IN THE PUBLIC SERVICE

FINANCIAL YEAR 2024/2025

STATEMENT BY THE CABINET SECRETARY - MINISTRY OF LABOUR AND SOCIAL PROTECTION



It is my pleasure to present this report on Productivity Management in the Public Service in Kenya, covering the Financial Years 2022/23 to 2024/25. This report provides an important account of the progress made in enhancing efficiency and effectiveness in the delivery of public services.

Productivity is a key driver of national development and a fundamental pillar in the delivery of efficient, effective, and citizen-centric public services. The

Government, and indeed my Ministry, remains committed to strengthening productivity management systems as part of the broader public service transformation agenda.

This report documents the progress made by Ministries, Departments, Agencies and Counties (MDACs) in institutionalizing productivity practices and improving service delivery outcomes. It highlights the critical role played by the National Productivity and Competitiveness Centre (NPCC), domiciled within the State Department for Labour and Skills Development, identified as the Lead/Specialised Agency in coordinating and supporting these efforts. Through its interventions, MDACs were able to strengthen their capacity to measure and manage productivity and improve service delivery outcomes.

During the review period, notable achievements were realized, including the rollout of productivity measurement method, specifically, the Objective Matrix (OMAX). Through OMAX, MDACs were able to systematically track efficiency, effectiveness, quality, and timeliness of service delivery and generate composite productivity indices.

These initiatives have contributed to enhanced efficiency, improved accountability, better utilization of public resources and growing citizen satisfaction with public services. However, the report also underscores the need to address existing challenges, including capacity constraints, data limitations, and the need for stronger institutional coordination. The Ministry will continue to strengthen the capacity of NPCC, enhance collaboration across MDAs, and promote a culture of productivity in the Public Service.

I commend all stakeholders who contributed to the preparation of this report and to the implementation of productivity initiatives across government.



Dr. Alfred. N. Mutua, E.G.H.

Date: 10th June, 2026

Cabinet Secretary,

Ministry of Labour and Social Protection.

FOREWARD



The preparation of this Report marks a significant milestone in the Government's efforts to institutionalize productivity management within the Public Service of Kenya.

The State Department for Labour and Skills Development, through the National Productivity and Competitiveness Centre, has played a central role in spearheading productivity improvement initiatives across Ministries, Departments, and Agencies (MDAs).

During the period under review, the Centre implemented targeted interventions aimed at strengthening productivity measurement systems, enhancing institutional capacity, and supporting process improvement initiatives within MDAs. The adoption and application of tools such as the Objective Matrix (OMAX) have significantly enhanced the capacity of public institutions to measure, monitor, and manage productivity in a structured and systematic manner.

Further, capacity-building programmes, provision of technical support, and facilitation of knowledge-sharing platforms have contributed to the progressive uptake and institutionalization of productivity management practices across the Public Service.

The findings of this Report indicate that, while notable progress has been achieved, there remains a need to strengthen data management systems, enhance technical capacity, and scale up productivity improvement initiatives across all sectors of the economy.

The State Department reaffirms its commitment to supporting the National Productivity and Competitiveness Centre in advancing the national productivity agenda and ensuring that the Public Service continues to deliver efficient, effective, and citizen-centric services.

The State Department takes this opportunity to acknowledge and appreciate all Ministries, Departments, Agencies, stakeholders, and partners who contributed to the preparation of this Report and to the broader implementation of productivity reforms within the Public Service.



Mr. Shadrack Mwangolo Mwadime, C.B.S.

Date: 9th June, 2026

Principal Secretary,

State Department for Labour and Skills Development.

PREFACE

The preparation of this *Report on Productivity Management in the Public Service for the Financial Years 2022/23 to 2024/25* comes at a critical juncture when the Government is intensifying public sector reforms aimed at enhancing efficiency, strengthening accountability, and improving service delivery across Ministries, Departments, Agencies, and County Governments. The Report provides a comprehensive assessment of productivity performance over the review period, highlights key achievements, identifies existing gaps, and sets out actionable recommendations to inform policy formulation and decision-making.

The Government acknowledges the pivotal role played by the National Productivity and Competitiveness Centre (NPCC) in the preparation of this Report, including the development of productivity frameworks, conduct of productivity assessments, and provision of technical support to public institutions. Appreciation is also extended to all Ministries, Departments, Agencies, and County Governments for their cooperation and commitment in providing the data and information that informed the analysis contained herein.

Going forward, it is imperative that productivity management remains central to public sector reforms. All stakeholders are therefore urged to embrace and institutionalize productivity practices in order to ensure efficient utilization of public resources, improved service delivery, and enhanced national competitiveness.

It is expected that this Report will serve as a key reference document for policymakers, public sector managers, and other stakeholders in advancing the productivity agenda within the public service and the broader economy.



Dr. Nahashon L. Moitaleel, PhD.

Secretary, Productivity,

National Productivity and Competitiveness Centre.

Date: 9th June, 2026

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ABBREVIATIONS AND ACRONYMS

ASAL	:	Arid and Semi-Arid Lands
BETA	:	Bottom-Up Economic Transformation Agenda
COTU-K	:	Central Organisation for Trade Unions
EAC	:	East Africa Community
EOP	:	Executive Office of the President
FKE	:	Federation of Kenya Employers
FY	:	Financial Year
GCI	:	Global Competitiveness Index
GCS	:	Global Competitiveness Scores
GPICS	:	Government Performance Contracting Information
HOD	:	Heads of Department
ICT	:	Information, Communication and Technology
ILO	:	International Labour Organization
KSG	:	Kenya School of Government
MDACs	:	Ministries, Departments, Agencies and Counties
MDAs	:	Ministries, Departments and Agencies
NPCC	:	National Productivity and Competitiveness Centre
NPO	:	National Productivity Organization
OMAX	:	Objective Matrix
PC	:	Performance Contracting
PCK	:	Productivity Centre of Kenya
PFMA	:	Public Finance Management Act
PSPMU	:	Public Sector Performance Management Unit
PSRP	:	Public Sector Reform Programmes
QCC	:	Quality Control Circles
QMS	:	Quality Management Systems
RBM	:	Results-Based Management
RCA	:	Root Cause Analysis
SRC	:	Salaries and Remuneration Commission
TLS	:	Traffic Light System
TPM	:	Total Productive Maintenance
TVET	:	Technical Vocational Education and Training

EXECUTIVE SUMMARY

This report presents the findings of an assessment of productivity management in the Public Service of Kenya for the financial years 2022/2023 to 2024/2025. The assessment was undertaken under the coordination of the National Productivity and Competitiveness Centre (NPCC), domiciled in the Ministry of Labour and Social Protection, State Department for Labour and Skills Development.

The purpose of the report is to document progress made in institutionalizing productivity management across Ministries, Departments, Agencies and Counties (MDACs), evaluate the effectiveness of productivity improvement interventions, and provide policy and strategic recommendations for strengthening public sector performance.

During the period under review, the Government implemented a range of measures aimed at enhancing efficiency, accountability, and service delivery. These included the integration of productivity indicators into performance contracting, the adoption of structured productivity measurement tools, strengthening of monitoring and evaluation systems, and expansion of digital service delivery platforms.

A key intervention was the rollout of the Objective Matrix (OMAX) methodology across the MDACs. The OMAX framework enabled institutions to translate strategic objectives into measurable indicators, assign performance targets, and generate composite productivity indices. This facilitated systematic tracking of performance across key dimensions, including efficiency, effectiveness, quality and timeliness.

The National Productivity and Competitiveness Centre provided technical support to MDACs through development of standardized productivity measurement frameworks, capacity building of public officers, facilitation of process re-engineering initiatives, and coordination of productivity reporting.

The assessment established that these interventions contributed to measurable improvements in service delivery, including reduction in turnaround times, improved production of quality goods and services, improved resource utilization, and enhanced accountability.

Notwithstanding these achievements, the report identifies a number of challenges affecting the effective implementation of productivity management initiatives. These include limited technical capacity in productivity measurement, data quality constraints, inadequate integration of information systems, resource limitations, and resistance to organizational change.

The report recommends strengthening institutional capacity, enhancing data management systems, scaling up the application of productivity measurement tools across all MDACs, and promoting a culture of continuous improvement within the Public Service.

The findings and recommendations contained in this report are intended to inform policy decisions and guide the implementation of future productivity reforms in the Public Service.

CHAPTER ONE: INTRODUCTION AND POLICY CONTEXT

1.1. Background to Public Service Productivity Management in Kenya

Productivity and Performance management in Kenya's public service has evolved significantly over time, transitioning from a traditional administrative system focused on inputs and compliance to a modern framework emphasizing results, efficiency, and accountability. In the early years following independence, public sector performance was largely assessed based on adherence to rules, budget absorption and staffing levels, with limited attention to outputs or outcomes. Productivity, as a measurable concept, was not explicitly integrated into public administration systems.

In the 1990s, Kenya implemented a series of public sector reforms under the Public Sector Reform Programmes (PSRP), largely influenced by fiscal pressures and the need to enhance efficiency in government operations. These reforms focused on cost containment, rationalization of the civil service, and improving operational efficiency. A major shift occurred in the early 2000s with the introduction of Results-Based Management (RBM) and Performance Contracting among other structural reforms. These initiatives marked a transition toward output-oriented management, with Ministries, Departments, and Agencies (MDAs) required to set performance targets and report on achievements. However, while these efforts introduced the concept of efficiency, they did not fully establish robust mechanisms for measuring and improving productivity in the public service.

The government realized the need to entrench Kenya's productivity management and anchor it in the country's overarching development and governance frameworks: Kenya Vision 2030 identifies productivity growth as a key driver of economic transformation and global competitiveness, while the Fourth Medium Term Plan (2023–2027) operationalizes this vision by prioritizing efficiency, innovation, and results in public service delivery. The Constitution of Kenya 2010 further reinforces this agenda by establishing principles of good governance, accountability, transparency, and efficient use of public resources across both national and county governments. Together, these frameworks underscore the centrality of productivity management as a tool for enhancing service delivery, ensuring value for money, and achieving sustainable socio-economic development.

These policy and institutional orientations were further reinforced by the establishment of the Productivity Centre of Kenya (PCK) in 2002, as the country's National Productivity Organization (NPO), mandated to spearhead productivity promotion, capacity building, and advisory services across sectors. The Productivity Centre of Kenya was registered as a tri-partite institution comprising the Government of Kenya, Federation of Kenya Employers (FKE) and the Central Organisation for Trade Unions (COTU-K). It was registered as company limited by guarantee and no share capital vide Gazette notice No. 7354/02 of 5th November 2002. It was run by a board appointed by the Minister for Labour and whose tenure lasted three years as per the Memorandum and Articles of Association.

The Centre provided the initial institutional platform for embedding productivity practices within both public and private sector operations, laying the foundation for subsequent reforms. In its early years, PCK focused primarily on advocacy, training, and dissemination of productivity improvement practices. However, its scope was relatively narrow, with limited integration into broader national economic planning and public sector performance management systems.

A significant milestone in the institutional evolution occurred in May 2016, when the Government of Kenya, through Executive Order No. 1 of 2016, restructured and renamed the Productivity Centre of Kenya to the National Productivity and Competitiveness Centre (NPCC). This transition marked a strategic shift from a sole focus on productivity to a more comprehensive approach that integrates productivity with national competitiveness. It also strengthened the Centre's role within government, positioning it as the Specialised Agency responsible for driving the national productivity agenda.

Since 2016, NPCC has progressively enhanced its operational capacity and visibility through the development of productivity measurement tools, implementation of productivity audits, and provision of technical support to Ministries, Departments, Agencies, and County Governments. The Centre has also played a key role in fostering a productivity culture through training, awareness campaigns, and stakeholder engagement initiatives. NPCC, in collaboration with the Salaries and Remuneration Commission (SRC) and the Kenya School of Government (KSG) rolled out a Pilot Phase comprising 20 State Corporations during the FY 2021/2022.

1.2. Kenya's Labour Productivity and Competitiveness Ranking

1.2.1. Kenya's Labour Productivity

Whereas labour productivity drives economic growth which results in higher revenue and in turn, improved wage bill to revenue ratio, Kenya's labour productivity remains low compared to other countries. The ILO (2024) statistics on labour productivity, shows poor performance by Kenya, as the country is ranked at 155 out of 189 countries globally, and 27 out of 53 countries in Africa. Therefore, the ongoing productivity management initiatives in the public service is critical in ensuring sustainability and escalation of the achieved milestones and benefits.

Kenya's total economy labour productivity, measured by output per person employed has been relatively higher than those of the East African (EAC) Member countries Tanzania, Uganda and Rwanda over the period 2015 to 2022. Kenya's labour productivity growth has remained nearly stagnant between 2016 and 2021 and is lower than that of Egypt, South Africa, and other leading African economies.

Moreover, it is evident that the labour productivity for Egypt has steadily increased over time. In 2022, the labour productivity for Egypt was 4.4 times higher than that for Kenya, 7.8 times higher than that Tanzania, 8.7 times higher than that for Uganda and 12.8 times higher than that for Rwanda.

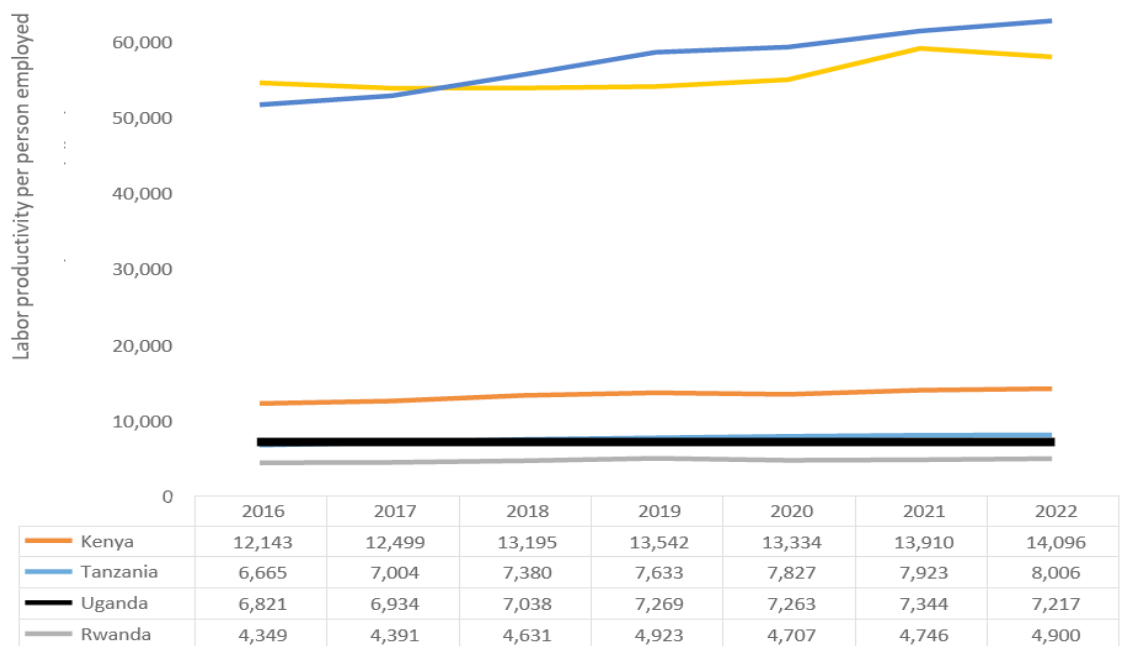


Figure 1: Total Economy Labour Productivity (PPP Dollars)

1.2.2. Kenya's Competitiveness Ranking

The World Economic Forum which ranks surveyed countries on the basis of their Global Competitiveness Index (GCI) defines competitiveness as “the set of institutions, policies and factors that determine the level of productivity”. It is also the ability of a country to produce goods and services that meet the expectations of local and international markets. The higher the level of Productivity, the higher the level of Competitiveness and vice versa.

Global Competitiveness Scores (GCS) and ranking play an instrumental role in global decision making on foreign direct investment flows and thus influences employment and wealth creation. Tackling issues contributing to low GCI scores and ranking for each pillar will certainly improve the country's overall GCI score and ranking.

Table 1: Kenya's Global Competitiveness Index

Year	GCI Score	Kenya's GCI rank (Position)	Out of Countries ranked
2012-13	3.75 out of 7	106	144
2013-14	3.85 out of 7	96	148
2014-15	3.93 out of 7	90	144
2015-16	3.85 out of 7	99	140
2016-17	3.90 out of 7	96	138
2017-18	3.98 out of 7	91	137
2018-19	53.7 out of 100	93	140
2019	54.1 out of 100	95	141

Data Source: World Economic Forum (The Global Competitiveness Report, Various issues)

The 12 pillars of global competitiveness index include:

- (i) Institutions,
- (ii) infrastructure,
- (iii) macroeconomic environment,
- (iv) health and primary education all of which are categorized as “basic requirements” and are key for factor driven economies efficiency enhancers.
- (v) higher education and training,
- (vi) goods market efficiency,
- (vii) labour market efficiency,
- (viii) financial market development,
- (ix) technological readiness and
- (x) size.

The two pillars (xi) Business sophistication and (xii) innovation are classified as instrumental for innovation driven economies.

Table 2: Kenya’s IMD World Competitiveness Rankings (2025)

Year	Global Rank	Africa Ranking	Total Countries Ranked
2025	56	1	69

Data Source: IMD Competitiveness Year Book 2025

The IMD World Competitiveness Ranking evaluates how countries manage their resources and competencies to create long-term value. The framework is structured around four key pillars, each of which contains multiple sub-factors that reflect different dimensions of national competitiveness:

- i. **Economic Performance** – Assesses the macroeconomic indicators of the country, including domestic economy growth, international trade and investment, employment levels, and price stability.
- ii. **Government Efficiency** – Evaluates the extent to which government policies are conducive to competitiveness, covering public finance, fiscal policy, institutional framework, business legislation, and societal values.
- iii. **Business Efficiency** – Focuses on the degree to which the private sector is efficient, productive, and innovative. It includes productivity and efficiency, labor market conditions, finance, management practices, and attitudes/values.
- iv. **Infrastructure** – Examines the quality and availability of basic, technological, scientific, and educational infrastructure, which are all essential for long-term economic sustainability and innovation.

1.3. Productivity Management and National Wage Bill

The current ratio of public wage bill to total ordinary revenue in Kenya is estimated at 43.54 per cent in FY 2022/2023 which is way above the target of 35 per cent target of the Public Finance Management Act (PFMA) Regulations. A fiscally sustainable public wage bill works as an enabler to achieving the desired expansion in public services and economic development agenda as it frees resources to spur investments that promote economic growth.

In this context of the national wage bill, improved productivity is a critical lever for ensuring fiscal sustainability. A productive Public Service ensures that the compensation of employees is commensurate with the value and outputs delivered to citizens. By strengthening productivity management systems, the Government can contain the growth of the wage bill while maximizing service delivery impact, thereby ensuring that personnel emoluments remain affordable, sustainable, and aligned with the principles of prudent public financial management.

Indeed, the theme of the 3rd National Wage Bill Conference, was **“Fiscal sustainability of the public wage bill through productivity”** during which discussions revolved on; Institutionalizing productivity in the public service and Role of public service productivity in economic performance. The 11th Summit held on 16th December 2024 adopted two resolutions related to productivity management in the public service namely:

The Fourth Resolution: Review the Kenyan model for performance management by December 2024 to shift from measurement of activities and inputs to outputs and outcomes. Institutionalize measurement of productivity, integrate the various measurement systems and create clear linkage to a reward and sanction system;

The Fifth Resolution: All institutions of the national and County Governments to adopt and build capacity on performance contracting as an accountability tool in line with Medium Term Plan IV with effect from 1 July 2024. In this regard, public service institutions incorporate productivity measurements, process re-engineering, technology, and skills development as key drivers to implementation.

Strengthening productivity management is therefore essential in fostering a virtuous cycle in which improved efficiency leads to enhanced service delivery, increased citizen satisfaction, and optimal utilization of public resources, while at the same time ensuring that the public wage bill remains sustainable and aligned with the country's fiscal capacity and macroeconomic stability objectives.

1.4. Rationale for Productivity Management in the Public Service

Productivity Management is a coordinated and structured approach to optimizing people, processes, and use of technology while minimizing costs and waste. It is based on Lean Principles such as: Elimination of Waste, Continuous Improvement (Kaizen), Process Optimization, Value Creation and Employee Involvement. Productivity management is not a quick win—it's a long-term

national/Organizational discipline strategically aligned to 'Systems Thinking' approach of governance.

Since independence, existing performance management systems have largely emphasized outputs and compliance with predetermined targets, with limited focus on the relationship between inputs, processes, and outputs. Consequently, gaps have persisted in the measurement of efficiency in resource utilization and the extent to which public investments translate into tangible development outcomes. Strengthening productivity management is therefore intended to address this gap by providing objective, evidence-based, and data-driven insights into the conversion of human, financial, and institutional resources into public services and outcomes, with an ultimate aim of "doing more with less" as aligned to the LEAN principles of governance.

The decision to mainstream Productivity Management in the 20th Cycle of Performance Contracting (PC) was informed by the urgent need to institutionalize a productivity-oriented culture, address persistent inefficiencies, and enhance service delivery across Ministries, Departments, Agencies and Counties (MDACs). The integration of productivity as a core component of the Performance Contracting framework is anchored on the following key considerations:

i. **Need for Efficient Resource Utilization**

The Government recognized that despite increased allocation of financial, human, and infrastructural resources to the public sector, the return on investment in terms of outputs and service delivery outcomes remained suboptimal. Productivity Management was therefore introduced to ensure that available resources are utilized efficiently and effectively, such that each unit of input yields optimal output, thereby minimizing wastage and maximizing developmental impact.

ii. **Alignment with Kenya Vision 2030 and the Bottom-Up Economic Transformation Agenda, (BETA)**

Productivity growth is a critical enabler of inclusive economic transformation and sustainable development. The mainstreaming of productivity within the Performance Contracting framework directly supports the realization of Kenya Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA) by strengthening efficiency, effectiveness, and accountability in the utilization of public resources across all levels of government.

iii. **Improved Service Delivery and Citizen Satisfaction**

The increasing demand by citizens for transparent, responsive, and results-oriented public service delivery necessitates the adoption of structured productivity measurement systems. Productivity indicators provide a standardized framework for benchmarking institutional performance and driving continuous improvement, particularly in critical sectors such as health, education, infrastructure, and security. This, in

turn, enhances service delivery outcomes and improves overall citizen satisfaction.

iv. **Strengthening Performance Accountability and Results-Based Management**

Productivity Management reinforces accountability within the public service by strengthening the link between resource utilization, performance targets, and measurable outcomes. It enhances the Results-Based Management approach by ensuring that institutional performance is not only assessed on the basis of activity completion, but also on efficiency and effectiveness in delivering results. This enables clearer attribution of performance at both institutional and individual levels, thereby improving oversight, transparency, and decision-making within the public service.

v. **Enhancing Fiscal Sustainability and Wage Bill Management**

The rising public wage bill has necessitated the adoption of mechanisms that ensure value for money in public expenditure. Productivity Management provides a framework for assessing the efficiency of labour utilization in relation to outputs delivered, thereby supporting evidence-based wage bill management. By linking productivity to compensation, staffing levels, and service delivery outcomes, Government is better positioned to ensure fiscal sustainability while maintaining the quality and quantity of public services.

1.5. Objectives of the Report

The main objective of this report is to assess the status and progress of productivity management in Kenya's public service over the period 2022/23 to 2024/25.

The specific objectives are to:

- i. Provide a comprehensive assessment of productivity trends across Ministries, Departments, Agencies, and County Governments;
- ii. Evaluate the effectiveness of existing productivity management frameworks and interventions;
- iii. Examine the relationship between resource utilization and service delivery outcomes;
- iv. Assess the implementation of productivity improvement initiatives and reforms;
- v. Identify key challenges and constraints affecting productivity in the public service; and
- vi. Propose policy, institutional, and operational recommendations to enhance productivity in the public service.

1.6. Scope of the Report

This report covers productivity management across the entire public service, including:

- National Government Ministries, Departments, and Agencies (MDAs);
- State Corporations;
- Constitutional Commissions and;
- County Governments.

The analysis focuses on the Financial Years 2023/24 and 2024/25, and examines both quantitative and qualitative indicators of productivity, including efficiency, effectiveness, quality, Timeliness, Safety and service delivery outcomes.

1.7. Institutional Framework for Productivity Management

Productivity management in Kenya's public service is coordinated through a multi-institutional framework. The Ministry of Labour and Social Protection, through the National Productivity and Competitiveness Centre, provides technical leadership in promoting productivity measurement, awareness, and improvement initiatives.

The NPCC plays a central role in:

- Developing productivity measurement frameworks and tools;
- Conducting productivity audits and benchmarking studies;
- Building capacity and promoting a productivity culture across the public service; and
- Supporting the integration of productivity indicators into performance management systems.

Other key actors include central government agencies responsible for public service management, such as the SRC, The Executive Office of the President (EOP), Public Sector Performance Management Unit (PSPMU), the School of Government Kenya (KSG) and County Governments that implement productivity initiatives at the operational level.

CHAPTER TWO: APPROACH ON PRODUCTIVITY MANAGEMENT IN THE KENYAN PUBLIC SERVICE

This Chapter provides a comprehensive approach of productivity management across the public service during the Financial Years 2022/23 to 2024/25. It examines the strategies that NPCC has applied to measure and improve productivity in the Ministries, Departments, Agencies, and County Governments (MDACs). The chapter highlights some of the challenges encountered in the application of different approaches to measure productivity.

1.1. Introduction

Productivity is a measure of output produced per unit of input. It measures the efficiency with which a given organization transforms inputs into output (**World Bank, 2021**). Productivity is therefore, the relationship between input and outputs in the production process of goods and services. Productivity addresses the quantity and quality of outputs (products/services) and their worth/value in terms of achieving the organization's goals in relation to the resources consumed.

Socially, productivity is viewed as a deliberate effort to change the mindset of key players in the service delivery ecosystem towards optimal utilization of resources and streamlining service delivery (Holzer, 2019).

Productivity is a key driver of organizational performance (Krugman, 1997). Improved productivity often leads to increased efficiency, cost savings and better overall performance of an enterprise and country at large (Krugman, 1997). Productivity management responds to the question of how inputs are translated to outputs in the most efficient and effective manner.

Public sector productivity entails optimizing the delivery of services through effective use of public funds resulting in increased citizen satisfaction, public trust, accountability, cost reduction, competitiveness and high quality of life. Over the years, productivity in the public sector has been assumed to be equal to the value of inputs used by the sector in a year ($\text{Output}=\text{Input}$). In this case, Government institutions that quickly absorb all their budgets in a financial year were assumed to be more productive than institutions that fail to absorb all their budgets at the end of the financial year. Organizational productivity is the capacity of an institution to produce desired results with a minimum expenditure of energy, time, money, personnel, and materials.

Kenya aspires to achieve a globally competitive middle-income country status offering a high quality of life as envisaged in the Kenya Vision 2030. A significant step towards attaining this milestone would entail nurturing, mainstreaming and promoting productivity culture in all the sectors of the economy. In light of the centrality of productivity and performance to realizing effectiveness in production and service delivery, Productivity and performance management have been underscored in other policy, legal and institutional frameworks, including the Constitution of Kenya, 2010; the Economic Recovery Strategy for Employment and Wealth Creation (2003-2007); and Sessional Paper No.3, 2013.

1.1. Productivity Management Framework

Productivity Management is a coordinated and structured approach to optimizing people, processes, and use of technology while minimizing costs and waste. Productivity Management framework has five phases namely: **Awareness creation**; Productivity **Measurement**; Productivity **Analysis**; Productivity **Planning** and; Productivity **Improvement**. These steps are shown in figure 2.

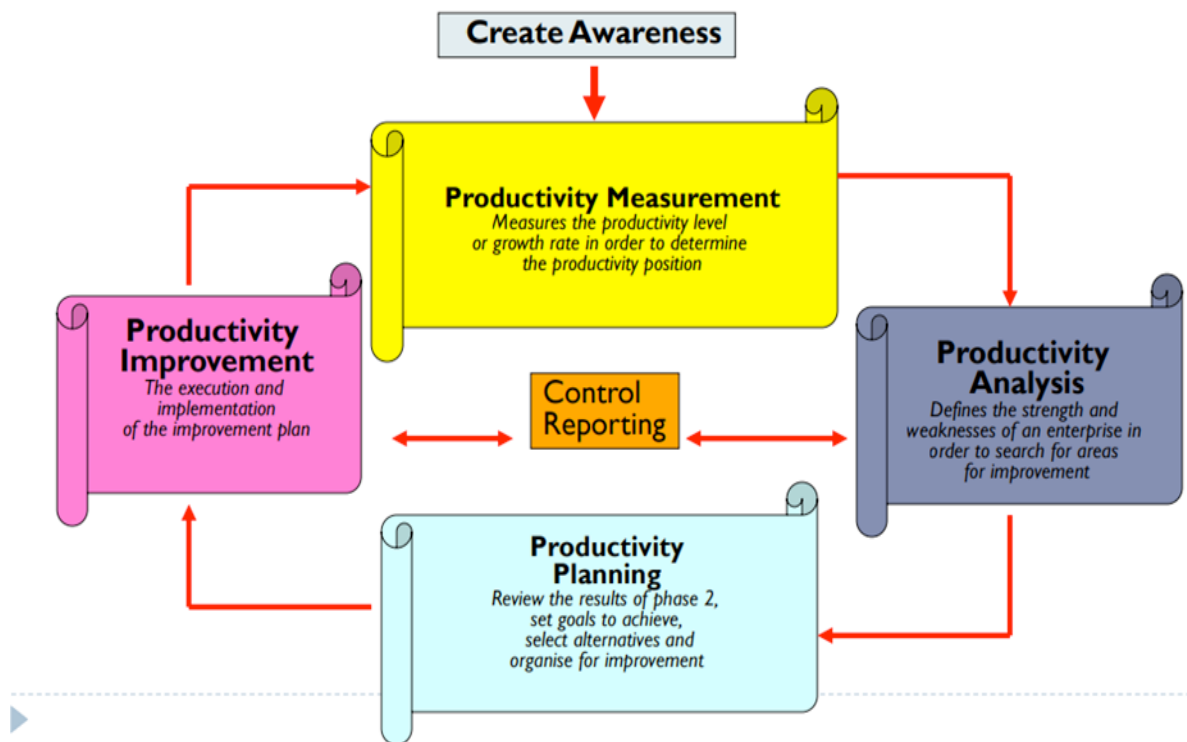


Figure 2: Productivity Management Framework

1.1.1. Productivity Awareness Creation

Low levels of awareness on productivity continue to constrain the effective realization of productivity gains and competitiveness across business enterprises, public institutions, and at both National and County Government levels. This limits the ability of institutions to optimize resource utilization, enhance service delivery, and contribute meaningfully to national development outcomes.

To address this gap, the Government has implemented deliberate, structured, and targeted productivity awareness and capacity-building interventions across the public service. These initiatives are aimed at institutionalizing a productivity culture and strengthening accountability for results, particularly in the context of ensuring value for money from public expenditure, including the national wage bill.

Productivity awareness creation is undertaken through coordinated training and sensitization programmes targeting key governance and management levels as follows:

- Sensitization of Boards of Directors and University Councils to strengthen oversight on productivity performance and alignment of institutional outputs to strategic objectives;
- Sensitization of Senior Management in the MDACs to enhance leadership commitment in driving productivity improvement initiatives;
- Sensitization of Middle-Level Management to support effective implementation, monitoring, and reporting of productivity interventions at operational levels; and
- Training of Productivity Mainstreaming Committees and Productivity Champions to spearhead the integration of productivity measurement and improvement frameworks within institutional processes.

1.1.2. Productivity Measurement Phase

This phase entails the development and institutionalization of productivity indicators and metrics aligned to the Strategic Plans of MDAs, in order to support results-based management and performance monitoring.

A **productivity metric** is defined as a quantifiable indicator used to assess and track the efficiency, effectiveness, and overall performance of a process, functional unit, or institution in the achievement of its strategic objectives. These metrics provide a structured basis for evaluating the extent to which available resources, including human, financial, and physical assets, are optimally utilized in the production of outputs and delivery of services. They further facilitate performance assessment, benchmarking across institutions, and continuous process improvement.

Subsequently, data is systematically collected, validated, and consolidated for the identified metrics to enable the computation of a composite Organizational Productivity Index. This index provides an aggregate measure of institutional productivity, thereby informing decision-making, resource allocation, and interventions aimed at enhancing efficiency and supporting the sustainability of public expenditure, including the National Wage Bill.

1.1.3. Productivity Analysis Phase

This phase entails the systematic analysis of performance against the established productivity metrics using the Traffic Light System (TLS), as applied during the computation of the Organizational Productivity Index. The analysis categorizes performance to facilitate clear identification of areas requiring improvement, corrective action, or sustained performance (for metrics in the green colour)

A comprehensive Root Cause Analysis (RCA) is undertaken to diagnose underlying factors contributing to observed performance gaps. Ministries, Departments, Agencies and Counties (MDACs) are encouraged to adopt recognized RCA tools, including the 5 Whys technique and the Ishikawa (Fishbone) Diagram, to systematically interrogate causes of inefficiencies and inform the development of targeted interventions aimed at enhancing productivity and overall institutional performance.

1.1.4. Productivity Planning Phase

This phase entails the development of appropriate and targeted countermeasures to address the identified root causes of performance gaps. The proposed countermeasures are designed to eliminate or mitigate the underlying causes of inefficiencies and prevent the recurrence of the identified challenges within the organization.

The identified countermeasures are subjected to a prioritization process using Pareto Analysis to ensure optimal allocation of resources and maximum impact. The prioritization shall be guided by clearly defined criteria, including the expected impact of the intervention, cost implications, implementation timelines, ease or complexity of implementation, duration required for execution, and the measurability of the countermeasures.

This structured approach facilitates the selection and implementation of high-impact interventions, thereby enhancing organizational productivity, efficiency, and overall performance within Ministries, Departments and Agencies.

1.1.5. Productivity Improvement Phase

This phase constitutes the final stage in the Productivity Management Cycle and focuses on the deployment and institutionalization of productivity improvement tools and techniques within Ministries, Departments and Agencies through a structured and coordinated workplan. While a number of institutions have initiated implementation of this phase, the majority of MDAs are yet to fully embark on the deployment of these tools.

Productivity improvement tools are categorized into two broad groups, namely:

- **Basic tools**, including but not limited to 5S, Quality Control Circles (QCCs), and Employee Suggestion Schemes; and
- **Advanced tools**, including Lean Six Sigma, Lean Management Systems, Quality Management Systems (QMS), Balanced Scorecard, and Total Productive Maintenance (TPM).

The effective adoption and implementation of these tools is critical in driving productivity transformation across the Public Service, enhancing operational efficiency, improving service delivery, and supporting sustainable economic growth.

1.2. The Pilot Phase of Productivity Management in the Public Service

In a time when public-sector financial resources are overstretched, understanding how to maintain and improve public services while keeping expenditures in check is a priority for most governments. The public service is an important component of Kenya's labour market accounting for 29.5% of wage employment and 4.8% of total employment in 2019. It is against this backdrop that the Salaries and Remuneration Commission, Kenya School of Government and National Productivity and Competitiveness Centre collaborated to undertake Productivity sensitization and training of senior officers in the public service.

A one-week Productivity Measurement and Improvement Course was rolled out in January 2022, at Nairobi, Mombasa, Embu, Baringo and Matuga Campuses of KSG with trainers drawn from NPCC, SRC and KSG. By the end of FY 2022/23, more than of 432 senior government officers drawn from 113 State Corporations and counties have undertaken the one-week productivity sensitization program as shown in the table 3.

Table 3: Productivity sensitization in 2021/2022

Cohort	No. of Organizations	Participants	Dates	Venue (KSG)
FY2021/2022				
1	15	50	17 - 21 January 2022	Nairobi
2	7	31	7-11 February 2022	Nairobi
3	4	21	25 - 29 April 2022	Mombasa
4	3	19	16 -27 May, 2022	Embu
5	14	49	6-10 June, 2022	Mombasa
Sub-Total	43	170		
FY2022/2023				
6	1	19	31.8.2022 - 2.9.2022	Embu
7	1	8	5-9 September 2022	Nairobi
8	2	6	3-7 October, 2022	Baringo
9	6	9	12-16 October, 2022	Nairobi
10	13	32	11-14 October, 2022	Embu
11	2	8	11-14 October, 2022	Matuga
12	27	61	14-18 November, 2022	Mombasa
13	9	22	6 - 10 February, 2023	Nairobi
14	11	45	6 - 10 March, 2023	Mombasa
15	9	52	15 - 19 May, 2023	Mombasa
Sub-Total	70	262		
Grand Total	113	432		

This one-week program was followed by a one-week engagement between NPCC and State Corporations for development of productivity metrics. By the end of 2022/2023 financial year, NPCC had offered technical assistance to 19 state corporations to develop Productivity Metrics and Indicators. This phase was characterized by low uptake of productivity measurement - Only 19 out of

113 (16.8%) State Corporations sensitized on productivity management requested for technical assistance to measure their productivity through the development of Productivity Metrics.

During the Pilot phase the method used to measure productivity was Added Value methodology. This refers to the wealth that a company has been able to create by its own and its employees' efforts. It is the financial value newly created by the internal activities of an enterprise in the process of production and added to the original raw materials which are purchased from outside.

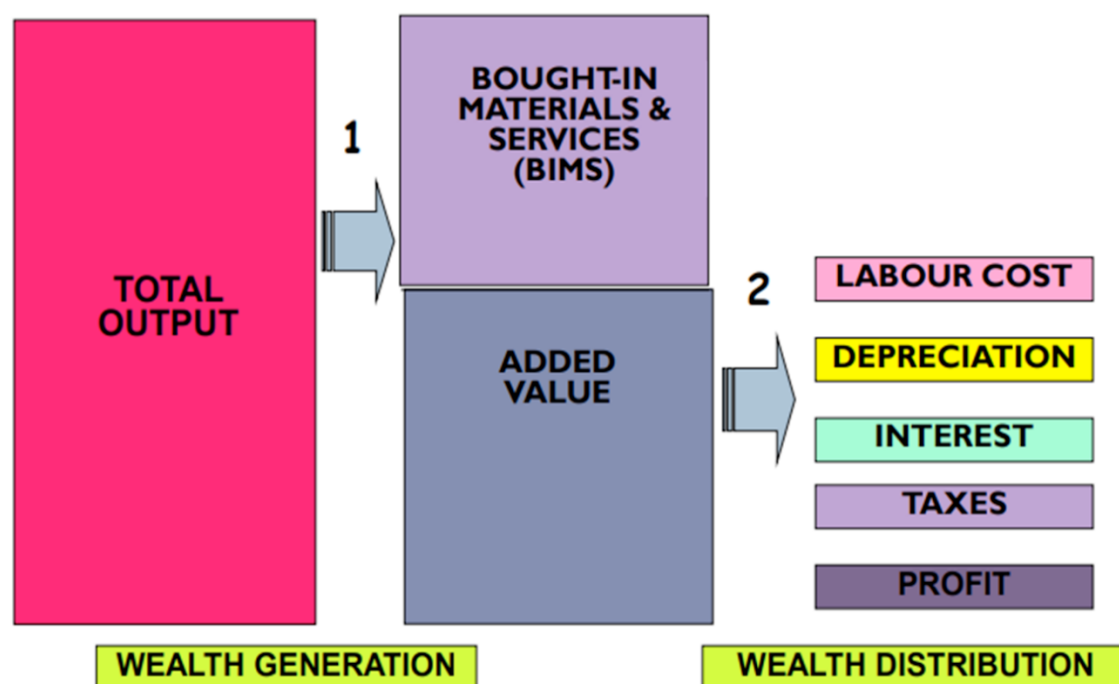


Figure 3: Added Value Method of index computation

The method was applicable in computing Single- factor Productivity indices such as Labour Productivity, Capital Productivity and Intermediate inputs productivity. Unfortunately, this method proved inadequate to measure productivity in the service sector due to intangible nature of the outputs and the non-market value of the public services rendered to the Citizens.

2.4. Productivity Mainstreaming through the Performance Contracting (PC)

The pilot phase witnessed slow uptake of productivity measurement mainly due Lack of understanding on matters productivity as it was a new concept in the public service. In order to raise awareness levels and uptake, Productivity Management was factored in the 20th Cycle of Performance Contracting (2023/24 FY) under the Core Mandate performance criteria. The indicator seeks to enable MDAs develop, implement and adopt strategies, and interventions to support measuring, managing and improving productivity and ultimately entrench a culture of productivity. The productivity mainstreaming process in

the public service is currently ongoing targeting 484 MDAs and all the Counties that have subscribed to Performance Contracting.

To further entrench productivity management in the public service, the **Chief of Staff and Head of the Public Service** issued a Circular **Ref. No. OP/CAB.6/1, dated 10th September, 2025** on Enhancing Productivity Management in Service Delivery in the Public Service. The Circular directs all MDAs to enhance Productivity Management by incorporating productivity impacting indicators in their programs. Directs all MDAS to use Productivity Measurement metrics that include cost optimization, Service quality and quantity, Timeliness, Morale and Safety. It further directs NPCC to develop templates to be adopted by MDAs and offer technical assistance on Productivity management and assessment across the public service. The Circular also directs SRC to recommend and advice on how to reward Productivity and Performance based on an incentive scheme.

2.5. Public Service Productivity Measurement Model

The Objective Matrix (OMAX) method is currently used to measure productivity in the public service. OMAX is a productivity measurement system developed by **Prof. James Riggs** that converts various criteria into a single productivity index (PI) to provide a unified, numerical indicator of an organization's productivity. OMAX evaluates multiple productivity criteria, assigns weights, calculates ratios for each criterion, and then integrates these into a single score to determine overall productivity.

2.5.1. Steps in Objective Matrix (OMAX)

Table 4: Steps in the Objective Matrix Model

1. Determination of Measurement Objectives
2. Determination of Appropriate Metric(s) for Each Objective
3. Weighting of Metrics
4. Determination of Metric Scores
5. Determination of Metric Weighted Scores
6. Calculation of Productivity Index
7. Data Analysis and Presentation

OMAX method is used alongside Saaty Scale which is a methodology developed by Thomas Saaty for comparison of the identified productivity criterion. The Saaty Scale methodology comprises of a nine-point scale for assessing the relative importance of each pair of criteria, where '1' implies equal importance between two criteria and '9' indicates the absolute importance of one criterion over another (Saaty & Vargas, 2012).

Table 5: relative importance scale and the definition of each intensity value.

Intensity of importance	Definition
1	Equal importance
3	Moderate importance
5	Strong importance
7	Very strong importance
9	Absolute/extreme importance
2, 4, 6, 8	Intermediate values between the two adjacent judgements

Table 6: Summary OMAX model of productivity Measurement

	Metric 1	Metric 2	Metric 3	Metric 4	Metric n	Productivity metric Metric Results	
Scores						10	Performance Scale
						9	
						8	
						7	
						6	
						5	
						4	
						3	
						2	
						1	
						0	
						Score	
						Weight	
						Value	
						Total Productivity score	

2.5.2. Computation of Productivity Index

A productivity Index is a measure used to quantify the efficiency and effectiveness of a system, process or entity in converting inputs into useful outputs. It is used to evaluate performance, identify areas for improvement and make comparisons.

The computed index ranges from 0 to 5 with 0 being the lowest productivity level and 5 being the highest. Table 4 shows how the index is evaluated.

Table 7: Productivity Index is evaluation

Productivity Index	Evaluation
$4.0 \leq I \leq 5.0$	Excellent productivity
$3.0 \leq I < 4.0$	V. High productivity
$2.3 \leq I < 3.0$	High productivity
$1.5 \leq I < 2.3$	Fair productivity
$0 < I < 1.5$	Low productivity

The adoption of the Objective Matrix's Method (OMAX) of productivity measurement in the Kenyan public service presents a significant step towards enhancing operational efficiency and service delivery. The OMAX methodology, rooted in aligning organizational objectives with productivity metrics, offers a systematic framework for assessing productivity in service-oriented organizations. By leveraging OMAX, the public sector in Kenya has made strides in developing productivity metrics across various public sector institutions as evidenced by data from NPCC. By establishing the level of productivity of the public sector institutions, and the development of productivity improvement strategies to address identified suboptimal achievements, public sector institutions can progressively improve their level productivity. High productivity is associated high levels of competitiveness and economic growth. Expanded economy, coupled with cost management by public institutions through implementation of productivity enhancing initiatives, will aid in the realization of a wage bill to revenue ratio of **35%** thereby ensuring sustainability of public sector wage bill.

CHAPTER THREE: PERFORMANCE OF MINISTRIES, DEPARTMENTS, AGENCIES AND COUNTY GOVERNMENTS (MDACs) ON PRODUCTIVITY MANAGEMENT

This Chapter presents a comprehensive analysis of the progress attained by Ministries, Departments and Agencies, as well as County Governments with regard to: Awareness Creation, Productivity Measurement (Indices) & Productivity Improvement (Development & Implementation of Productivity Improvement Strategies).

The Chapter further provides graphical and diagrammatic representations of the status of implementation of key deliverables across each phase of the Productivity Management Cycle by the MDACs, thereby facilitating performance tracking, comparative analysis, and informed decision-making.

3.1. FY 2024/25 PRODUCTIVITY INDEX

Table 8: Productivity Indices for MDACS in the FY 2024-2025

	MINISTRIES	FY 2024/25 PRODUCTIVITY INDEX
1	Ministry of Agriculture and Livestock Development	0.75
	State Department for Livestock Development	N/A
	State Department for Agriculture	1.5
2	Ministry of Co-operatives and Micro, Small and Medium Enterprises (MSMEs) Development	1.5455
	State Department for Micro, Small, Medium Enterprises Development	N/A
	State Department for Cooperatives	3.091
3	Ministry of Defence	2.7958
4	Ministry of East African Community (EAC), The ASALs and Regional Development	0.9675
	State Department of ASALS and Regional development	N/A
	State Department for East African Community (EAC) Affairs	1.935
5	Ministry of Education	N/A
	State Department for Higher Education and Research	N/A
	State Department for Technical Vocational Education and Training (TVET)	N/A
	State Department for Basic Education	N/A
6	Ministry of Energy and Petroleum	1.399
	State Department for Energy	1.194
	State Department of Petroleum	1.604

	MINISTRIES	FY 2024/25 PRODUCTIVITY INDEX
7	Ministry of Environment, Climate Change and Forestry	1.6105
	State Department for Forestry	1.5
	State Department for Environment and Climate Change	1.721
8	Ministry of Gender, Culture and Children Services	1.282
	State Department for Gender Affairs and Affirmative Action	1.345
	State Department for Culture, the Arts and Heritage	2.501
	State Department for Children Services	N/A
9	Ministry of Health	N/A
	State Department for Medical Services	N/A
	State Department for Public Health and Professional Standards	N/A
10	Ministry of Information, Communications and the Digital Economy	1.4415
	State Department for Broadcasting and Telecommunications	N/A
	State Department for ICT and the Digital economy	2.883
11	Ministry of Interior and National Administration	2.489
	State Department for Internal Security and National Administration	2.6863
	State Department for Correctional Services	1.563
	State Department for Immigration and Citizen Services	3.2177
12	Ministry of Investments, Trade and Industry	1.084233333
	State Department for Industry	N/A
	State Department for Investment Promotion	3.2527
	State Department for Trade	N/A
13	Ministry of Labor and Social Protection	1.37855
	State Department for Labour and Skills Development	2.7571
	State Department for Social Protection and Senior Citizen Affairs	N/A
14	Ministry of Lands, Public Works, Housing and Urban Development	2.6225
	State Department for Public Works	2.9027
	State Department for Lands and Physical Planning	2.8504
	State Department for Housing and Urban Development	2.1144
15	Ministry of Mining, Blue Economy and Maritime Affairs	0.776

	MINISTRIES	FY 2024/25 PRODUCTIVITY INDEX
	State Department of Mining	2.328
	State Department for Blue Economy and Fisheries	N/A
	State Department for Shipping and Maritime Affairs	N/A
16	Ministry of Public Service, Human Capital Development and Special Programmes	0.689
	State Department for Special Programmes	N/A
	State Department for Public Service and Human Capital Development	1.378
17	Ministry of Roads and Transport	1.41
	State Department for Roads	2.448
	State Department for Transport	1.782
	State Department for Aviation and Aerospace Development	N/A
18	Ministry of Tourism and Wildlife	3.6135
	State Department for Tourism	3.417
	State Department for Wildlife	3.81
19	Ministry of Water, Sanitation and Irrigation	1.114
	State Department for Irrigation	2.228
	State Department for Water and Sanitation	N/A
20	Ministry of Youth Affairs, Creative Economy and Sports	N/A
	State Department for Youth Affairs and Creative Economy	N/A
	State Department for Sports	N/A
21	Office of Chief of Staff and Head of the Public Service	2.4806
22	Office of the Attorney General	0.7505
	State Law Office	1.501
	State Department for Justice, Human Rights & Constitutional Affairs	N/A
23	Office of the Deputy President	1.818766667
	Office of the Deputy President	4.0093
	State Department for Devolution	1.447
	State Department for Cabinet Affairs	N/A
24	Office of the Prime Cabinet Secretary and Ministry of Foreign & Diaspora Affairs	1.808166667
	State Department for Foreign Affairs	1.82
	State Department for National Government Coordination	1.991

	MINISTRIES	FY 2024/25 PRODUCTIVITY INDEX
	State Department for Diaspora Affairs	2.215
	Office of the Prime Cabinet Secretary	1.991
	State Department for Parliamentary Affairs	2.832
	State Department for Science, Research and Innovation	N/A
25	State House	2.416
26	The National Treasury and Economic Planning	1.318666667
	The National Treasury	1.501
	State Department for Economic Planning	2.455
	State Department for Public investment and Asset Management	N/A

	State Corporation	FY 2024/25 PRODUCTIVITY INDEX
1	Agricultural Development Corporation	3.056
2	Agricultural Finance Corporation	2.105
3	Agriculture and Food Authority	3.54
4	Agro-Chemical & Food Company	2.365
5	Alupe University	2.903
6	Anti-Counterfeit Authority	3.243
7	Anti-Female Genital Mutilation Board	1.535
8	Assets Recovery Agency	2.4436
9	Athi Water Works Development Agency	1.574
10	Bandari Maritime Academy	3.52
11	Biosafety Appeals Board	4.10615
12	Bomas of Kenya	2.338
13	Bomet University College	1.482
14	Business Registration Service	2.852
15	Capital Markets Authority	3.444
16	Central Rift Valley Water Works Development Agency	2.54
17	Centre for Mathematics, Science and Technology in Africa	2.781
18	Chemelil Sugar Company	N/A
19	Children Welfare Society of Kenya (Change in the GPICS name 'Child' to Children)	2.764

	State Corporation	FY 2024/25 PRODUCTIVITY INDEX
20	Chuka University	4.066
21	Clinical Officers Council	2.004
22	Coast Development Authority	3.214
23	Coast Water Works Development Agency	N/A
24	Commission for University Education	2.675
25	Commodities Fund	2.464
26	Communications Authority of Kenya	3.491
27	Competition Authority of Kenya	2.491
28	Council of Legal Education	3.211
29	Dedan Kimathi University of Technology	3.173
30	East African Portland Cement Company Ltd	2.275
31	Egerton University	2.38
32	Energy and Petroleum Regulatory Authority	2.382
33	Engineers Board of Kenya	2.3194
34	Ewaso Ng'iro North Development Authority	4.221
35	Ewaso Ng'iro South Development Authority	N/A
36	Export Processing Zones Authority	2.963
37	Fish Levy Trust Fund	N/A
38	Garissa University	3.393
39	Geothermal Development Company Limited	2.408
40	Higher Education Loans Board	3.662
41	Human Resource Management Professional Examinations Board	2.532
42	Hydrologist Registration Board	3.539
43	Information and Communication Technology Authority	1.748
44	Institute of Human Resource Management	N/A
45	Insurance Regulatory Authority	1.856
46	Jaramogi Oginga Odinga University of Science and Technology	2.567
47	Jomo Kenyatta University of Agriculture and Technology Enterprises Limited	N/A
48	Jomo Kenyatta Foundation	1.609
49	Jomo Kenyatta University of Agriculture and Technology (JKUAT)	3.402

	State Corporation	FY 2024/25 PRODUCTIVITY INDEX
50	Kaimosi Friends University	1.739
51	Karatina University	1.68
52	Kenya Academy of Sports	N/A
53	Kenya Accountants and Secretaries National Examinations Board	2.31
54	Kenya Agricultural and Livestock Research Organization	2.616
55	Kenya Airports Authority	3.01
56	Kenya Animal Genetics Resource Centre	3.579
57	Kenya Anti-Doping Agency	N/A
58	Kenya Biovax Institute Limited	3.179
59	Kenya Broadcasting Corporation	0.466
60	Kenya Bureau of Standards	4.35
61	Kenya Civil Aviation Authority	2.477
62	Kenya Copyright Board	1.048
63	Kenya Cultural Centre	3.135
64	Kenya Dairy Board	3.114
65	Kenya Deposit Insurance Corporation	3.706
66	Kenya Development Corporation Limited	3.286
67	Kenya Education Management Institute	3.641
68	Kenya Electricity Generating Company PLC	2.544
69	Kenya Electricity Transmission Company	N/A
70	Kenya Engineering Technologists Registration Board	2.133
71	Kenya Export Promotion and Branding Agency	2.32
72	Kenya Film Classification Board	N/A
73	Kenya Film Commission	1.334
74	Kenya Fish Marketing Authority	1.651
75	Kenya Fisheries Service	2.681
76	Kenya Fishing Industries Corporation	N/A
77	Kenya Foreign Service Institute (To be defined in the GPCIS)	N/A
78	Kenya Forest Service	2.617
79	Kenya Forestry Research Institute	1.816
80	Kenya Health Profession Oversight Authority	2.93
81	Kenya Industrial Estates	2.565

	State Corporation	FY 2024/25 PRODUCTIVITY INDEX
82	Kenya Industrial Property Institute	2.716
83	Kenya Industrial Research and Development Institute	2.073
84	Kenya Institute for Public Policy Research and Analysis	1.724
85	Kenya Institute for the Blind	N/A
86	Kenya Institute of Curriculum Development	4.746
87	Kenya Institute of Mass Communication	4.1755
88	Kenya Institute of Primate Research	1.928
89	Kenya Institute of Special Education	3.24
90	Kenya Institute of Supplies Examination Board	2.108
91	Kenya Institute of Supplies Management (KISM)	2.564
92	Kenya International Convention Centre	3.144
93	Kenya Investment Authority	N/A
94	Kenya Law Reform Commission	2.759
95	Kenya Leather Development Council	2.494
96	Kenya Literature Bureau	N/A
97	Kenya Marine and Fisheries Research Institute	3.256
98	Kenya Maritime Authority	1.7326
99	Kenya Meat Commission	N/A
100	Kenya Medical Practitioners and Dentists Council	2.045
101	Kenya Medical Research Institute	1.822
102	Kenya Medical Supplies Authority	1.915
103	Kenya Medical Training College	2.331
104	Kenya National Accreditation Service	3.251
105	Kenya National Bureau of Statistics	1.557
106	Kenya National Commission for UNESCO	1.821
107	Kenya National Entrepreneurs Savings Trust	N/A
108	Kenya National Examinations Council	2.2542
109	Kenya National Highways Authority	2.557
110	Kenya National Innovation Agency	N/A
111	Kenya National Library Services	1.501
112	Kenya National Qualifications Authority	2.366
113	Kenya National Shipping Line	N/A
114	Kenya National Trading Corporation Limited	N/A
115	Kenya National Youth Council	N/A

	State Corporation	FY 2024/25 PRODUCTIVITY INDEX
116	Kenya Nuclear Regulatory Authority	N/A
117	Kenya Ordinance Factory Corporation	N/A
118	Kenya Pipeline Company Limited	4.373
119	Kenya Plant Health Inspectorate Service	3.142
120	Kenya Ports Authority	3.16
121	Kenya Post Office Savings Bank	3.11
122	Kenya Power and Lighting Company Plc	3.95
123	Kenya Railways Corporation	2.32
124	Kenya Re-Insurance Corporation	N/A
125	Kenya Revenue Authority	2.8
126	Kenya Roads Board	2.922
127	Kenya Rural Roads Authority	1.917
128	Kenya School of Government	2.205
129	Kenya School of Law	1.821
130	Kenya School of TVET	1.529
131	Kenya Seed Company Limited	2.016
132	Kenya Shipyards Limited	N/A
133	Kenya Tourism Board	3.426
134	Kenya Trade Network Agency	2.149
135	Kenya Trade Remedies Agency	2.047
136	Kenya Tsetse Trypanosomiasis Eradication Council	3.415
137	Kenya Universities and Colleges Central Placement Service	4.431
138	Kenya Urban Roads Authority	3.284
139	Kenya Utalii College	1.289
140	Kenya Veterinary Board	3.329
141	Kenya Veterinary Vaccines Production Institute	N/A
142	Kenya Vision 2030 Delivery Board	2.43
143	Kenya Water Institute	2.404
144	Kenya Water Towers Agency (To be deleted in GPICS)	N/A
145	Kenya Wildlife Research and Training Institute	3.56
146	Kenya Wildlife Service	2.92
147	Kenya Year Book Editorial Board	3.381
148	Kenyatta National Hospital	1.885

	State Corporation	FY 2024/25 PRODUCTIVITY INDEX
149	Kenyatta University	2.774
150	Kenyatta University Teaching, Referral and Research Hospital	2.5254
151	Kerio Valley Development Authority	N/A
152	Kibabii University	4.735
153	Kirinyaga University	3.935
154	Kisii University	2.61
155	Koitaleel Samoei University College	3.159
156	Konza Technopolis Development Authority	2.954
157	Laikipia University	2.719
158	Lake Basin Development Authority	2.025
159	Lake Victoria North Water Works Development Agency	3.699
160	Lake Victoria South Water Works Development Agency	4.26
161	LAPSSET Development Authority	N/A
162	Local Authorities Provident Fund	2.838
163	Maasai Mara University	3.693
164	Machakos University	2.515
165	Mama Ngina University College	3.174
166	Maseno University	2.691
167	Masinde Muliro University of Science and Technology	1.824
168	Media Council of Kenya	1.356
169	Meru University of Science and Technology	2.34
170	Micro and Small Enterprises Authority	3.701
171	Moi Teaching and Referral Hospital	3.268
172	Moi University	2.943
173	Multimedia University of Kenya	1.9377
174	Murang'a University of Technology	2.8
175	Nairobi Centre for International Arbitration	2.63
176	Nairobi Metropolitan Area Transport Authority	N/A
177	National Authority for the Campaign against Alcohol and Drug Abuse	3.421
178	National Biosafety Authority	2.9
179	National Cancer Institute	1.821
180	National Cereals and Produce Board	1.574

	State Corporation	FY 2024/25 PRODUCTIVITY INDEX
181	National Commission for Nomadic Education	1.5
182	National Commission for Science Technology Innovation	3.71
183	National Construction Authority	2.745
184	National Council for Children's Services	3.504
185	National Council for Law Reporting	3.143
186	National Council for Persons With Disabilities	3.012
187	National Council for Population and Development	3.8486
188	National Crime Research Centre	3.038
189	National Defense University – Kenya	2.51
190	National Drought Management Authority	3.2673
191	National Employment Authority	3.241
192	National Environment Management Authority	2.571
193	National Environment Trust Fund	2.464
194	National Government Affirmative Action Fund	3.953
195	National Government Constituencies Development Fund	2.5
196	National Heroes Council	3.8226
197	National Housing Corporation	1.948
198	National Industrial Training Authority	2.237
199	National Irrigation Authority	3.671
200	National Mining Corporation	N/A
201	National Museums of Kenya	4.047
202	National Oil Corporation of Kenya	1.482
203	National police service	2.9831
204	National Research Fund	3.688
205	National Social Security Fund	4.142
206	National Syndemic Diseases Control Council	1.522
207	National Water Harvesting and Storage Authority	1.673
208	National Youth Service	N/A
209	New Kenya Co-operative Creameries	0.968
210	New Kenya Planters Co-operative Union	N/A
211	North Rift Valley Water Works Development Agency	1.84
212	Northern Water Works Development Agency	2.332
213	Nuclear Power and Energy Agency	2.66

	State Corporation	FY 2024/25 PRODUCTIVITY INDEX
214	Numerical Machining Complex	2.171
215	Nursing Council of Kenya	2.871
216	Nyayo Tea Zones Development Corporation	1.72
217	Nzoia Sugar Company Limited	N/A
218	Office of Data Protection Commissioner	2.456
219	Open University of Kenya	2.664
220	Pest Control Board	1.929
221	Pharmacy and Poisons Board	1.343
222	Policy holders Compensation Fund	3.574
223	President's Award-Kenya	2.0308
224	Private Security Regulatory Authority	N/A
225	Privatization Commission	2.357
226	Public Benefits Organization Regulatory Authority	2.621
227	Public Procurement Regulatory Authority	2.33
228	Public Service Superannuation Fund	2.421
229	Pwani University	2.454
230	Pyrethrum Processing Company of Kenya	1.92
231	Regional Centre on Groundwater Resources Education Training and Research	2.94
232	Retirement Benefits Authority	4.06
233	Rivatex East Africa Limited	N/A
234	Rongo University	N/A
235	Rural Electrification and Renewable Energy Corporation	2.648
236	Sacco Societies Regulatory Authority	3.325
237	School Equipment Production Unit	N/A
238	Scrap Metal Council	N/A
239	South Eastern Kenya University	2.972
240	South Nyanza Sugar Company Limited	3.379
241	Special Economic Zones Authority	3.931
242	Sports Arts and Social Development Fund	N/A
243	Sports Kenya	2.052
244	Taita Taveta University	2.7291
245	Tana and Athi Rivers Development Authority	3.2141
246	Tana Water Works Development Agency	2.082

	State Corporation	FY 2024/25 PRODUCTIVITY INDEX
247	Tanathi Water Works Development Agency	1.505
248	Tea Board of Kenya	1.372
249	Technical and Vocational Education and Training Authority	3.668
250	Technical University of Kenya	1.533
251	Technical University of Mombasa	1.634
252	Tharaka University	3.430
253	The Co-operative University of Kenya	2.741
254	The Kenya Space Agency	N/A
255	The National Transport and Safety Authority	1.994
256	The Postal Corporation of Kenya	N/A
257	The Universities Fund	2.745
258	Tom Mboya University	N/A
259	Tourism Fund	2.872
260	Tourism Regulatory Authority	3.589
261	Turkana University College	3.386
262	TVET Curriculum Development, Assessment and Certification Council	1.662
263	Unclaimed Financial Assets Authority	1.942
264	University of Eldoret	2.2868
265	University of Embu	2.5404
266	University of Kabianga	2.882
267	University of Nairobi	2.88
268	University of Nairobi Enterprises and Services Limited	4.304
269	Uwezo Fund	1.672
270	Veterinary Medicines Directorate	N/A
271	Warehouse Receipts System Council	2.14
272	Water Resources Authority	2.457
273	Water Sector Trust Fund	3.3
274	Water Services Regulatory Board	2.677
275	Witness Protection Agency	3.093
276	Women Enterprise Fund	2.618
277	Youth Enterprise Development Fund	2.044

	Tertiary Institution	FY 2024/25 PRODUCTIVITY INDEX
278	Aberdare Teachers Training College	N/A
279	Ahmed Shahame Mwidani Technical Training Institute	2.986
280	Aldai Technical Training Institute	N/A
281	Asumbi Teachers College	N/A
282	Belgut Technical Training Institute	1.728
283	Bishop Mahon Teachers Training College	N/A
284	Bomet Central Technical and Vocational College	N/A
285	Bondo Teachers Training College	N/A
286	Bondo Technical Training Institute	2.597
287	Borabu Teachers Training College	N/A
288	Borabu Technical and Vocational College	N/A
289	Bumbe National Polytechnic	2.01
290	Bungoma North Technical and Vocational College	2.824
291	Bunyala Technical and Vocational College	2.803
292	Bunyole Teachers Training College	N/A
293	Bushiangala Technical Training Institute	2.421
294	Butere Technical Training Institute	N/A
295	Butula Technical and Vocational College	N/a
296	Chamasiri Technical and Vocational College	3.16
297	Chanzeywe Technical and Vocational College	2.713
298	Chepsirei Technical and Vocational College	N/A
299	Cherangany Technical and Vocational College	N/A
300	Chesta Teachers Training College	N/A
301	Chuka Technical and Vocational College	N/A
302	David Mbiti Wambuli Technical and Vocational College	N/A
303	Dr. Daniel Wako Murende Technical and Vocational College	N/A
304	Ebukanga Technical and Vocational College	2.971
305	Eldama Ravine Technical and Vocational College	N/A
306	Emining Technical Training Institute	1.54
307	Emsos Technical Training Institute	2.659
308	Emurua Dikirr Technical and Vocational College	2.078
309	Endebess Technical Training Institute	N/A
310	Galana Teachers Training College	N/A

	Tertiary Institution	FY 2024/25 PRODUCTIVITY INDEX
311	Garissa Teachers Training College	N/A
312	Gatanga Technical and Vocational College	2.65
313	Gatundu South Technical and Vocational College	3.89
314	Gitwebe Technical Training Institute	4.623
315	Godoma Technical Training Institute	N/A
316	Ijara Technical and Vocational College	N/A
317	Ikutha Technical and Vocational College	2.157
318	Kaelo Technical and Vocational College	N/A
319	Kagumo Teachers Training College	3.886
320	Kaiboi National Polytechnic	2.1555
321	Kaimosi Friends National Polytechnic	2.34755
322	Kaimosi Teachers Training College	N/A
323	Kajiado East Technical and Vocational College	N/A
324	Kajiado National Polytechnic	N/A
325	Kajiado West Technical and Vocational College	1.107
326	Kakrao Technical and Vocational College	3.625
327	Kaloleni Technical and Vocational College	N/A
328	Kamukunji Technical and Vocational College	N/A
329	Kamwenja Teachers College	N/A
330	Kandara Technical and Vocational College	2.201
331	Kapcherop Technical and Vocational College	N/A
332	Karen Technical Training Institute for the Deaf	N/A
333	Karumo Technical Training Institute	2.418
334	Kasarani Technical and Vocational College	2.612
335	Katine Technical Training Institute	2.758
336	Kendege Technical and Vocational College	N/A
337	Kenya Coast National Polytechnic	3.968
338	Kenyan Teachers Training College	N/A
339	Kericho National Polytechnic	2.412
340	Kericho Teachers Training College	N/A
341	Kericho Township Technical and Vocational College	2.074
342	Keroka Technical Training Institute	N/A
343	Khwisero Technical and Vocational College	N/A
344	Kiambu National Polytechnic	2.549

	Tertiary Institution	FY 2024/25 PRODUCTIVITY INDEX
345	Kibwezi West Technical and Vocational College	2.25
346	Kieni Technical and Vocational College	N/A
347	Kigumo Technical and Vocational College	N/A
348	Kiharu Technical and Vocational College	N/A
349	Kiirua Technical Training Institute	3.21
350	Kimasian Technical and Vocational College	2.281
351	Kiminini Technical and Vocational College	2.62
352	Kinango Technical and Vocational College	1.91
353	Kinangop Technical and Vocational College	N/A
354	Kipipiri Technical and Vocational College	3.474
355	Kipkabus Technical and Vocational College	N/A
356	Kipsinende Technical Training Institute	2.38
357	Kipsoen National Polytechnic	2.3
358	Kiptaragon Technical and Vocational College	2.594
359	Kisii National Polytechnic	3.434
360	Kitela Kapel Technical and Vocational College	1.459
361	Kitui Teachers Training College	N/A
362	Kitutu Masaba Technical and Vocational College	N/A
363	Kongoni Technical and Vocational College	2.03
364	Konoin Technical Training Institute	1.229
365	Koshin Technical Training Institute	2.189
366	Kwale Teachers Training College	N/A
367	Laikipia East Technical and Vocational College	1.95
368	Laikipia North Technical and Vocational College	N/A
369	Laisamis Technical and Vocational College	N/A
370	Lari Technical and Vocational College	N/A
371	Limuru Technical and Vocational College	1.761
372	Lodwar Technical and Vocational College	2.357
373	Lugari Teachers Training College	3.001
374	Lungalunga Technical and Vocational College	N/A
375	Maasai Mara Technical and Vocational College	1.859
376	Masai National polytechnic	2.423
377	Mabera Technical and Vocational College	2.985

	Tertiary Institution	FY 2024/25 PRODUCTIVITY INDEX
378	Machakos Teachers College	N/A
379	Machakos Technical Institute for The Blind	2.173
380	Mandera Teachers Training College	N/A
381	Mandera Technical and Vocational College	N/A
382	Masinga Technical and Vocational College	N/A
383	Mathenge Technical Training Institute	2.752
384	Mathioya Technical and Vocational College	2.481
385	Mathira Technical and Vocational College	N/A
386	Matili Technical Training Institute	3.089
387	Mawego National Polytechnic	3.956
388	Mbeere North Technical and Vocational College	N/A
389	Meru National Polytechnic	2.32
390	Meru Teachers College	N/A
391	Michuki National Polytechnic	3.257
392	Migori Teachers College	N/A
393	Mochongoi Technical and Vocational College	N/A
394	Moi Teachers College Baringo	N/A
395	Moiben Technical and Vocational College	2.701
396	Mosoriot Teachers Training College	N/A
397	Msambweni Technical and Vocational College	3.1591
398	Mukiria Technical Training Institute	1.688
399	Mukurweini Technical Training Institute	2.8
400	Mumias West Technical and Vocational College	N/A
401	Mungatsi Technical and Vocational College	N/A
402	Muraga Technical Training Institute	3.56
403	Murang'a Teachers Training College	N/A
404	Murang'a Technical Training Institute	N/A
405	Musakasa Technical Training Institute	3.425
406	Mwala Technical and Vocational College	2.331
407	Mwatate Technical and vocational college	N/A
408	Nachu Technical and Vocational College	N/A
409	Naivasha Technical and Vocational College	1.52
410	Narok Teachers Training College	2.296
411	Narok West Technical Training Institute	N/A

	Tertiary Institution	FY 2024/25 PRODUCTIVITY INDEX
412	Navakholo Technical and Vocational College	N/A
413	Ndia Technical and Vocational College	1.211
414	Ngong Technical and Vocational College	N/A
415	Nkabune Technical Training Institute	1.717
416	North Eastern National Polytechnic	3.713
417	North Horr Technical and Vocational College	N/A
418	North Rift Training Institute	N/A
419	Nuu Technical and Vocational College	2.39
420	Nyakach Technical and Vocational College	N/A
421	Nyamira National Polytechnic	1.989
422	Nyandarua National Polytechnic	1.661
423	Okame Technical and Vocational College	2.91
424	Omuga Technical and Vocational College	N/A
425	Orogare Technical and Vocational College	1.15
426	Paramount Chief Kinyanjui Technical Training Institute	2.78
427	Rachuonyo (Ombek) Technical and Vocational College	1.778
428	Ramogi Institute of Advanced Technology	1.948
429	Rangwe Technical and Vocational College	1.219
430	Rarieda Technical Vocational College	N/A
431	Riamo Technical and Vocational College	N/A
432	Riatirimba Technical and Vocational College	1.435
433	Rift Valley National Polytechnic	2.381
434	Rift Valley Technical Training Institute	2.126
435	Riragia Technical and Vocational College	N/A
436	Runyenjes Technical and Vocational College	4.546
437	Sabatia Technical and Vocational College	1.459
438	Samburu East Technical and Vocational College	2.859
439	Seme Teachers Training College	N/A
440	Seme Technical and Vocational College	3.915
441	Shanzu Teachers Training College	N/A
442	Siala Technical Training Institute	2.985
443	Sigalagala National Polytechnic	4.309
444	Sikri Technical and Vocational College for the Blind and Deaf	3.069

	Tertiary Institution	FY 2024/25 PRODUCTIVITY INDEX
445	Sirisia Technical and Vocational College	2.729
446	Siruti Technical and Vocational College – Awendo	N/A
447	Sot Technical Training Institute	2.805
448	Sotik Technical Training Institute	N/A
449	St Mark's Kigari Teachers Training College	N/A
450	St. Augustine Eregi Teachers Training College	N/A
451	St. John's Teachers Training College, Kilimambogo	N/A
452	St. Joseph's Technical Institute for The Deaf Nyangoma	N/A
453	St. Lawrence Egoji Teachers Training College	N/A
454	St. Paul's Kibabii Teachers Training College	2.93
455	Taita Taveta National Polytechnic	3.8104
456	Tambach Teachers Training College	N/A
457	Taveta Technical and Vocational College	3.3657
458	Tetu Technical and Vocational College	1.175
459	Tharaka Technical and Vocational College	3.73
460	The Baringo National Polytechnic	1.832
461	The Bungoma National Polytechnic	3.02
462	The Eldoret National Polytechnic	3.055
463	The Jeremiah Nyaga National Polytechnic	2.143
464	The Kabete National Polytechnic	2.63
465	The Kisiwa National Polytechnic	3.448
466	The Kisumu National Polytechnic	3.222
467	The Kitale National Polytechnic	2.97
468	The Michuki National Polytechnic	3.257
469	The Mitunguu National Polytechnic	N/A
470	The Nairobi National Polytechnic	2.342
471	The Nyeri National Polytechnic	3.306
472	The Ollessos National Polytechnic	2.724
473	The Shamberere National Polytechnic	2.895
474	The Siaya National Polytechnic	3.417
475	Thika Technical Training Institute	1.916
476	Thogoto Teachers Training College	N/A
477	Tigania East Technical and Vocational College	1.375
478	Tinderet Technical and Vocational College	N/A

	Tertiary Institution	FY 2024/25 PRODUCTIVITY INDEX
479	Total Technical and Vocational College	N/A
480	Tseikuru National Polytechnic	3.16
481	Turbo Technical and Vocational College	N/A
482	Turkana East Technical and Vocational College	N/A
483	Ugenya Teachers Training College	N/A
484	Ugenya Technical and Vocational College	3.521
485	Ugunja Technical and Vocational College	3.71
486	Uriri Technical and Vocational College	2.116
487	Wanga Technical and Vocational College	2.605
488	Webuye West Technical and Vocational College	2.584
489	Weru Technical and Vocational College	N/A
490	West Mugirango Technical and Vocational College	N/A
491	Wote Technical Training Institute	2.877
492	Ziwa Technical Training Institute	N/A
493	Bukura Agricultural College	3.3602

3.2. State Departments Sector Performance (FY 2024/25)

The State Departments recorded an improvement in productivity performance during FY 2024/25, with the average productivity index increasing from 1.88 in FY 2023/24 to 2.33 in FY 2024/25. This reflects a positive growth of approximately 24.0%, indicating enhanced efficiency and improved performance in the delivery of government programs and services.

The number of State Departments with computed productivity indices also increased from 22 in the previous financial year to 37 in the FY 2024/25, demonstrating improved participation and compliance in productivity measurement and reporting. However, 24 State Departments did not submit the required productivity management data and, therefore, could not have their productivity indices computed. This gap limits the comprehensiveness of sector-wide productivity assessment and points to the need for strengthened reporting compliance across all State Departments.

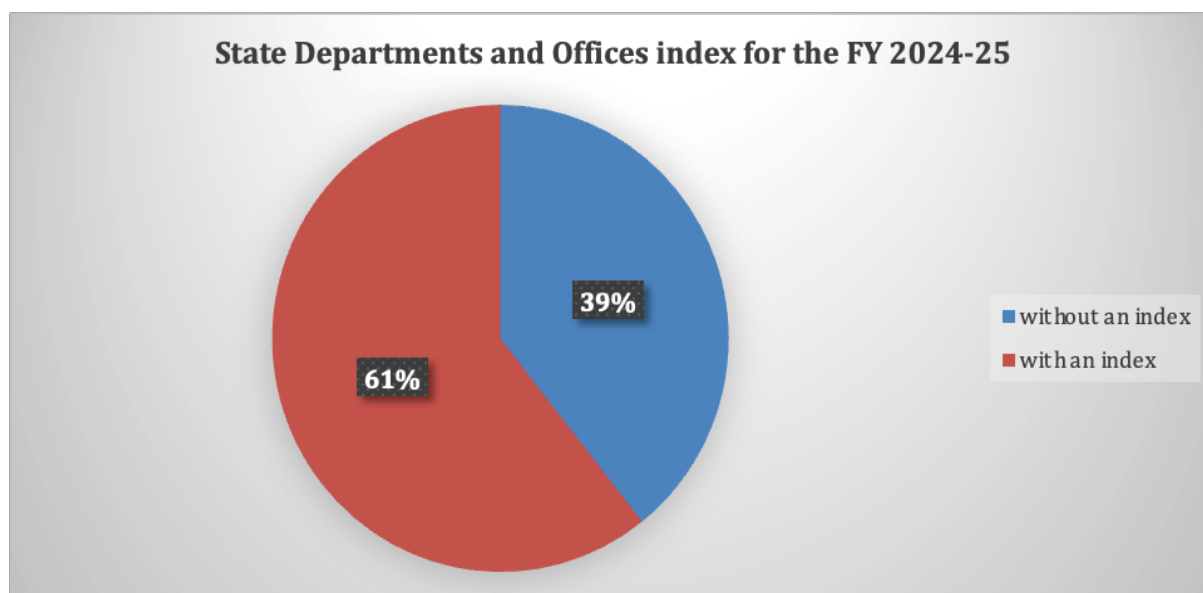


Figure 4: Proportion of State Departments with a baseline Index

The increased number of participating institutions and the improved average productivity index suggest growing institutional commitment to productivity improvement and performance accountability. Going forward, efforts should focus on enhancing data submission compliance, institutionalizing productivity measurement practices, and supporting underperforming departments to sustain and deepen productivity gains across the sector.

3.3. State Corporations Sector Performance (FY 2024/25)

The State Corporations sector demonstrated strong productivity gains in FY 2024/25, with the average productivity index rising from 2.26 in FY 2023/24 to 2.69 in FY 2024/25. This represents an approximate 18.9% improvement on the state corporations evaluated, signalling strengthened institutional efficiency and better alignment of resources to strategic mandates and service delivery objectives.

A key feature of the sector's performance was the expanded coverage in productivity assessment; with the number of State Corporations whose productivity indices were computed increasing from 188 in the previous financial year to 232 in the FY 2024/25. This reflects growing uptake of productivity management practices and increased institutional commitment to performance monitoring and continuous improvement.

Despite this progress, 45 (16%) of State Corporations evaluated did not submit productivity management data and consequently could not be assessed. This non-submission creates gaps in the various sector's productivity profile and underscores the importance of sustained compliance mechanisms to ensure full participation in the productivity management framework.

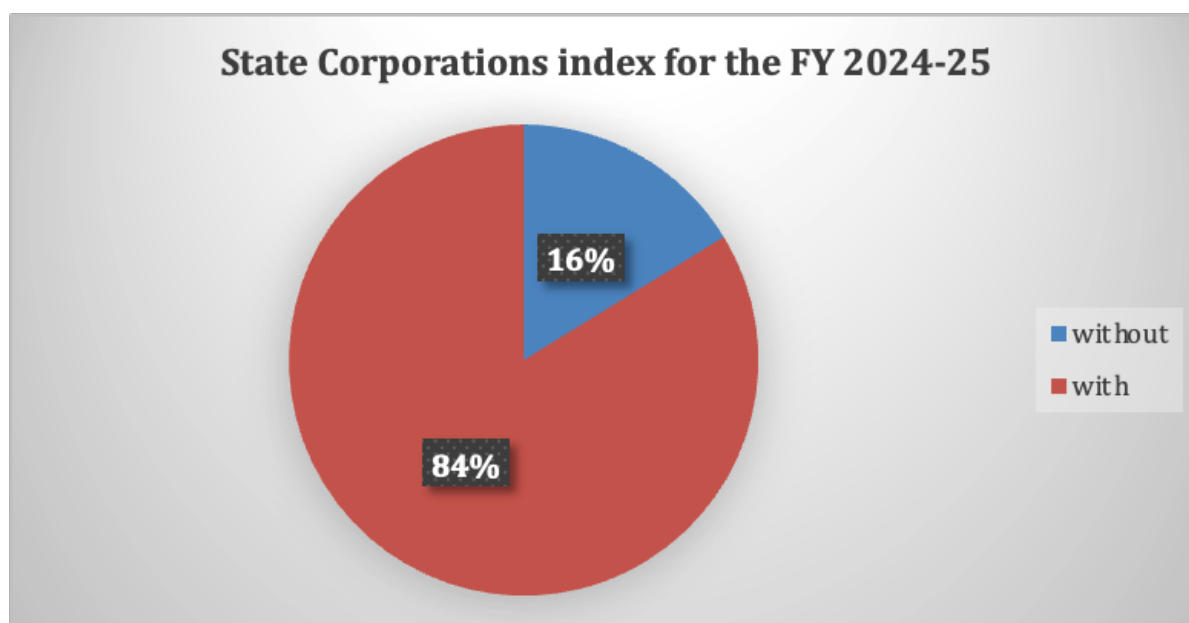


Figure 5: Proportion of State Corporations with a baseline Index

Overall, the improved sector average and broader participation indicate that State Corporations are increasingly embedding productivity as a core performance driver. Sustaining this momentum will require reinforcing accountability systems, promote data-driven decision-making, and facilitate knowledge sharing across institutions to accelerate productivity improvement across the sector.

3.4. TVET Institutions Sector Performance (FY 2024/25)

The TVET sector posted moderate improvement in productivity performance during FY 2024/25, with the average productivity index increasing from 2.20 in FY 2023/24 to 2.62 in FY 2024/25. This reflects an approximate 19.4% increase in productivity, suggesting that institutions that participated in the assessment made notable gains in operational efficiency, training effectiveness, and resource optimization.

Unlike the stronger expansion observed in other sectors, the increase in the number of TVET institutions with computed productivity indices was relatively modest, rising from 104 to 120 institutions. While this indicates some improvement in participation, the growth remains limited when viewed against the sector's overall size. Notably, 96 TVET institutions did not submit productivity management data and therefore could not be assessed, representing a significant proportion of the sector and highlighting persistent compliance challenges.

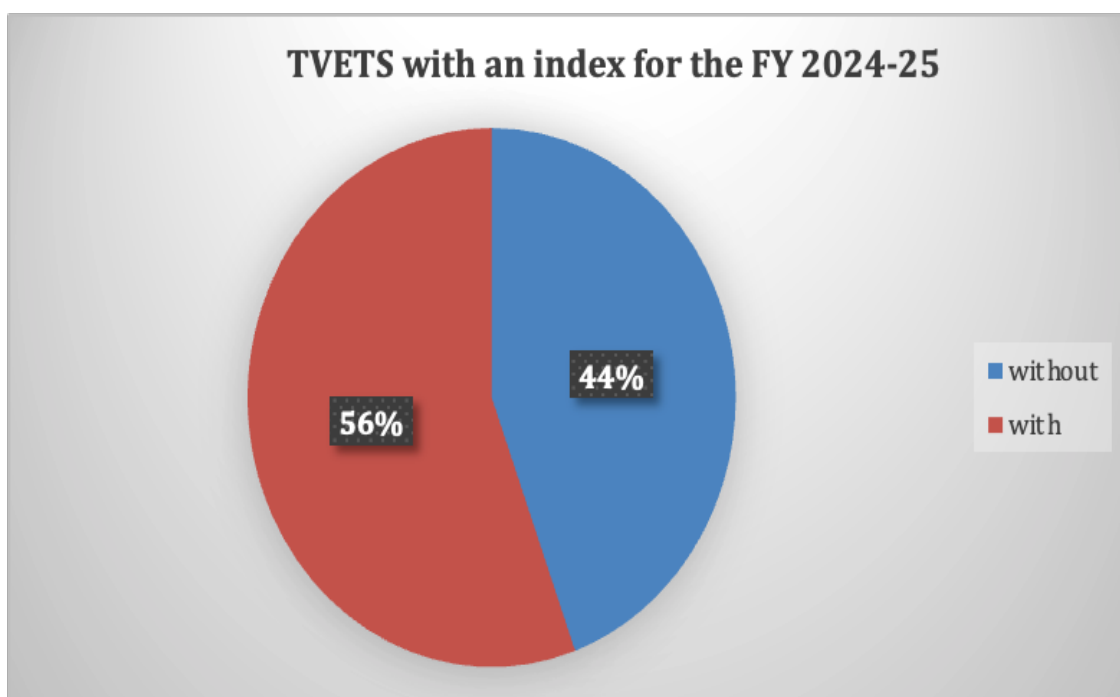


Figure 6: Proportion of TVETs with a baseline Index

The high level of non-submission points to underlying capacity, reporting, or institutionalization gaps in productivity management within the TVET space. As a result, the sector's overall productivity picture remains only partially representative, and the strong average performance should be interpreted within the context of incomplete participation.

Going forward, priority should be placed on strengthening compliance with productivity reporting requirements, building institutional capacity for performance measurement, and integrating productivity management more firmly into institutional governance frameworks. This will be critical in ensuring that productivity improvements are broad-based and reflective of the sector as a whole.

3.5. Progress in Productivity Mainstreaming and Institutionalization (FY 2024/25)

During the Financial Year 2024/25, the National Productivity and Competitiveness Centre (NPCC) continued to make significant progress in mainstreaming productivity management across public sector institutions through targeted capacity-building, technical support, and institutional sensitization. These interventions were aimed at strengthening institutional frameworks for productivity measurement, fostering a culture of continuous improvement, and enhancing efficiency in public service delivery.

As part of these efforts, a total of **494** MDACs have been sensitized and trained on productivity metrics development. This intervention enhanced institutional capacity to develop and operationalize productivity indicators aligned to organizational mandates and strategic priorities, thereby strengthening internal systems for productivity measurement and performance monitoring.

Further, **205** MDACs have had their Heads of Department (HODs) sensitized and trained to strengthen management ownership and accountability in the implementation of productivity improvement initiatives. The involvement of departmental leadership remains critical in ensuring that productivity management is integrated into operational planning and execution across institutions.

At the strategic governance level, **51 Boards and Council members** have been sensitized on productivity management to enhance institutional oversight and strengthen governance support for productivity mainstreaming. This engagement is expected to reinforce policy direction, strategic decision-making, and accountability in the implementation of productivity improvement programmes.

The cumulative effect of these interventions was reflected in the increased uptake of productivity measurement, with **419** institutions successfully computing their Baseline productivity indices as at the end of the FY 2024-25 reporting period. This demonstrates growing institutional adoption of productivity measurement frameworks and enhanced commitment to performance assessment as a basis for continuous improvement.

In addition, **314 institutions developed productivity improvement strategies** informed by the findings of their productivity assessments. This marks an important transition from productivity measurement to implementation of targeted interventions aimed at addressing identified inefficiencies and improving organizational performance.

To enhance the quality and credibility of productivity data, 191 institutions had their FY 2024/25 productivity data validated by NPCC. The validation process strengthened data accuracy, consistency, and reliability, thereby improving the integrity of productivity reporting and supporting evidence-based decision-making.

Overall, the achievements realized during the FY 2024/25 demonstrate steady progress in institutionalizing productivity management within the public sector. They reflect enhanced institutional awareness, increased participation in productivity measurement, and stronger integration of productivity improvement practices into organizational systems. Moving forward, sustained capacity-building, strengthened compliance with productivity reporting requirements, and expanded institutional coverage will be critical in consolidating these gains and advancing the national productivity and competitiveness agenda.

3.6. PRODUCTIVITY MANAGEMENT IN COUNTIES

During the Financial Year 2024/2025, the assessment of productivity management implementation across County Governments revealed very low uptake of structured productivity measurement systems. Out of the 47 Counties in Kenya, only four Tana River, Kitui, Nakuru, and Bungoma have initiated efforts to operationalize productivity measurement frameworks. This represents an adoption rate of approximately 8.5%, indicating that the majority of Counties

have not yet begun formalizing productivity measurement as part of their performance management systems.

The Counties that have initiated implementation are at different early stages of adoption. Their efforts primarily focus on developing preliminary productivity indicators, sensitizing County leadership and technical officers, and beginning baseline data collection to support future measurement. In some cases, productivity considerations have been introduced within selected departmental performance reviews, although these initiatives remain largely pilot in nature and have not yet been fully institutionalized across all County functions.

The limited uptake across the majority of Counties can be attributed to low levels of awareness regarding the importance and utility of productivity frameworks. In addition, competing operational priorities and weak integration between existing performance management systems and productivity measurement frameworks have further slowed adoption.

This situation has important implications for public sector performance and service delivery. Without widespread productivity measurement, Counties face challenges in accurately assessing efficiency, identifying performance gaps, and ensuring value for money in resource utilization. The lack of standardized productivity data also limits evidence-based decision-making and weakens the ability to track improvements in service delivery over time. Ultimately, this slows the pace of public sector reform and undermines the broader objectives of devolution.

To address these gaps, there is need for accelerated action to mainstream productivity measurement across all County Governments. This includes integrating productivity frameworks into County Integrated Development Plans and performance contracting systems, strengthening capacity building for County officials and productivity champions, and developing a standardized national framework to guide implementation. Further, sustained technical support from the National Productivity and Competitiveness Centre will be critical in providing mentorship, validation of data, and guidance on implementation. Linking productivity outcomes to County performance assessment systems would also help strengthen accountability and encourage adoption.

Overall, the findings for FY 2024/2025 highlight that while a small number of Counties have taken initial steps toward productivity measurement, the overall national uptake remains very low. This underscores the urgent need for coordinated interventions to ensure that productivity management becomes a fully embedded and operational component of County governance and service delivery systems.

CHAPTER 4: PUBLIC SECTOR PERFORMANCE ON PRODUCTIVITY MANAGEMENT

Implementation of productivity management in the public service since FY 2023/2024 to FY 2025-2026 yielded significant improvements in production of goods and service delivery by the public service. The milestones are looked into with special reference to the productivity measurement criteria namely:

- i. Customer experience and responsiveness;
- ii. Quality of goods and services provided;
- iii. Efficiency and effectiveness of the services provided;
- iv. Inventory management;
- v. Staff training & Morale;
- vi. Maintenance of plant and equipment;
- vii. Innovation and flexibility in service delivery; and
- viii. Cost optimization & profitability.

It is imperative to note that MDAs productivity metrics were derived from the Strategic Objectives of the respective MDA Strategic Plans hence the metrics relate with the Core mandate of the MDA. It is therefore not possible to have comparison of performance across all the MDAs or in respect to Sectors.

The chapter therefore gives a snap shot of performance trends in respect to similar productivity metrics in the respective sectors.

4.1. ENERGY, INFRASTRUCTURE AND ICT

4.1.1. Sector-Wide Average Performance Trends

4.1.1.1. Infrastructure & Transport Sector

Aggregated operational focus entails the analysis of Network expansion, asset maintenance, project scheduling, and safety compliance.

Asset Condition Stable but Stagnant: Across all infrastructure entities, the average asset health index (road and rail quality baselines) showed a nominal shift of less than **-0.5%**. While maintenance efforts are preventing catastrophic deterioration, current capital deployments are only preserving the status quo rather than elevating overall network conditions.

Project Delivery Execution: The average project completion rate for infrastructure expansion improved from **78.2% to 81.4%**. However, the average timelines for auxiliary processes such as demarcating networks or completing land acquisition handovers lagged behind, showing a +14% increase in delays.

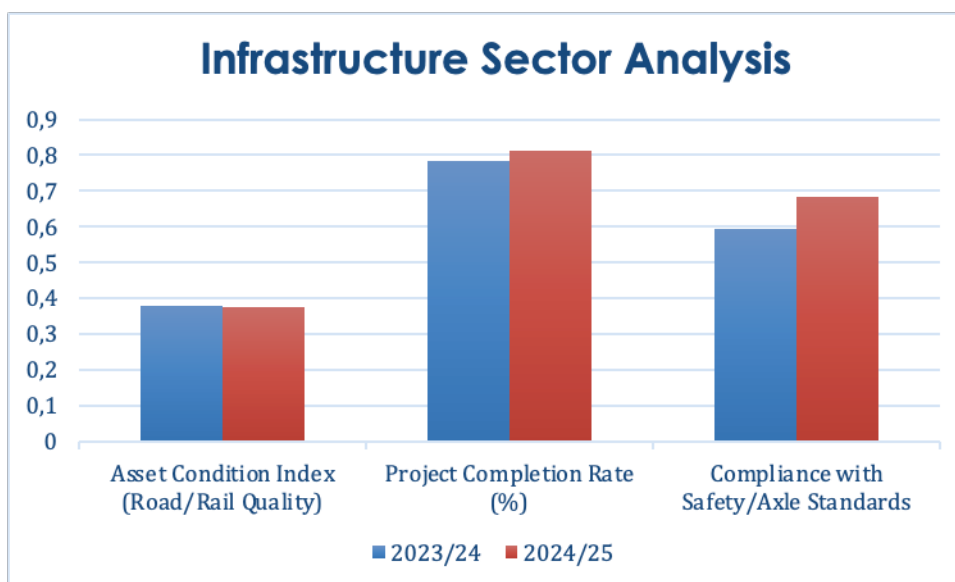


Figure 7: Analysis of the Infrastructure Sector

4.1.1.2. Energy & Petroleum Sector

Aggregated operational focus entails the analysis of Supply reliability, network availability, capacity utilization, and system losses.

- **Improved Distribution Reliability:** The average sector-wide interruption frequency dropped by **-7.4%** moving from a mean index score of 24.7 down to 22.8. This indicates a steadier supply grid and tighter operational synchronization across the transmission chain.
- **The Cost of Technical Inefficiency:** Average structural system losses remain stubbornly high, decreasing marginally from a mean of **23.16% to 21.21%**. This persistent gap between generation and metered billing highlights a systemic vulnerability in mid-tier infrastructure distribution.

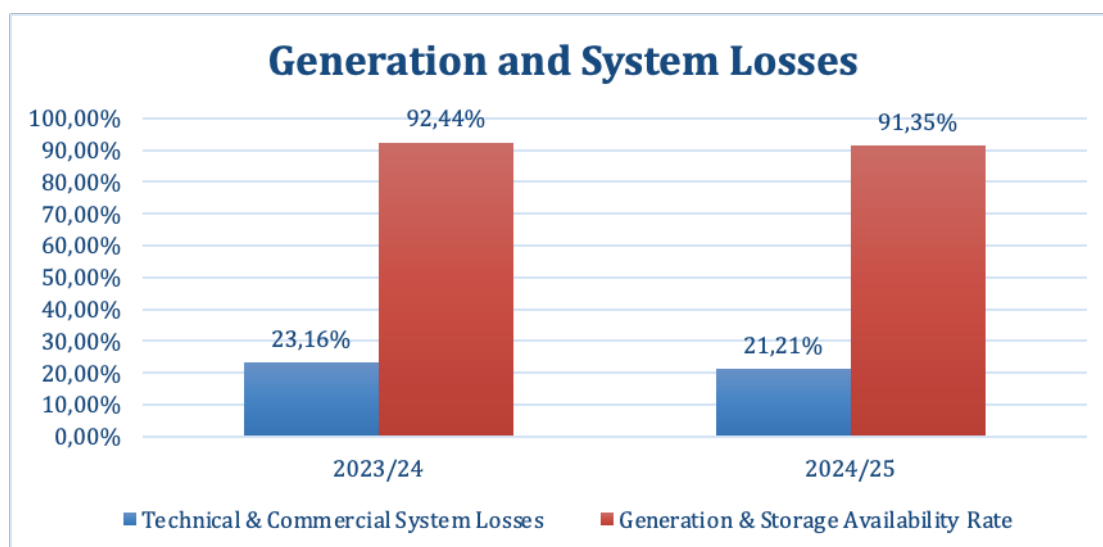


Figure 8: Generation and system Losses in the Energy and Petroleum Sector

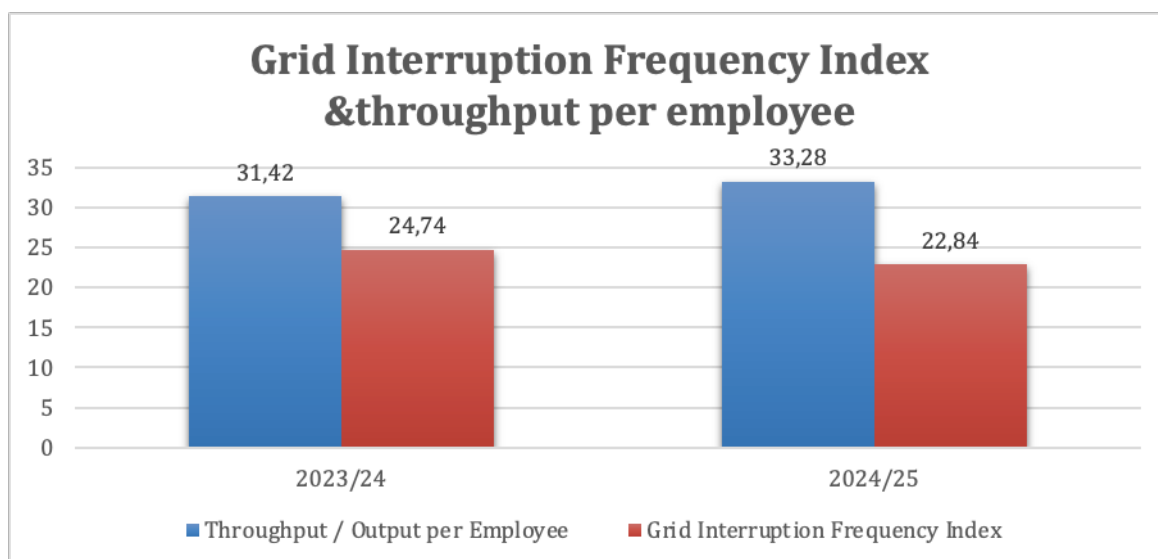


Figure 9: Grid Interruption Frequency Index & throughput per employee

4.1.1.3. Regulatory, Commercial & Cross-Cutting Functions

Aggregated operational focus entails the analysis of Process automation, customer satisfaction, human capital optimization, and financial sustainability.

- **The Digital Surge:** Across all audited entities, the average process automation score experienced the sharpest upward trajectory, climbing from a baseline mean of **54.6% to 68.2% (+24.9% relative increase)**.
- **The Workforce Disconnect:** While the average employee satisfaction score across the public sector remained stable at **71.3%**, and average technical training hours per employee rose by **+11.5%**, the average operational output per labour cost unit expanded by only **+4.2%** indicating that training investments are not yet fully converting into workforce productivity.

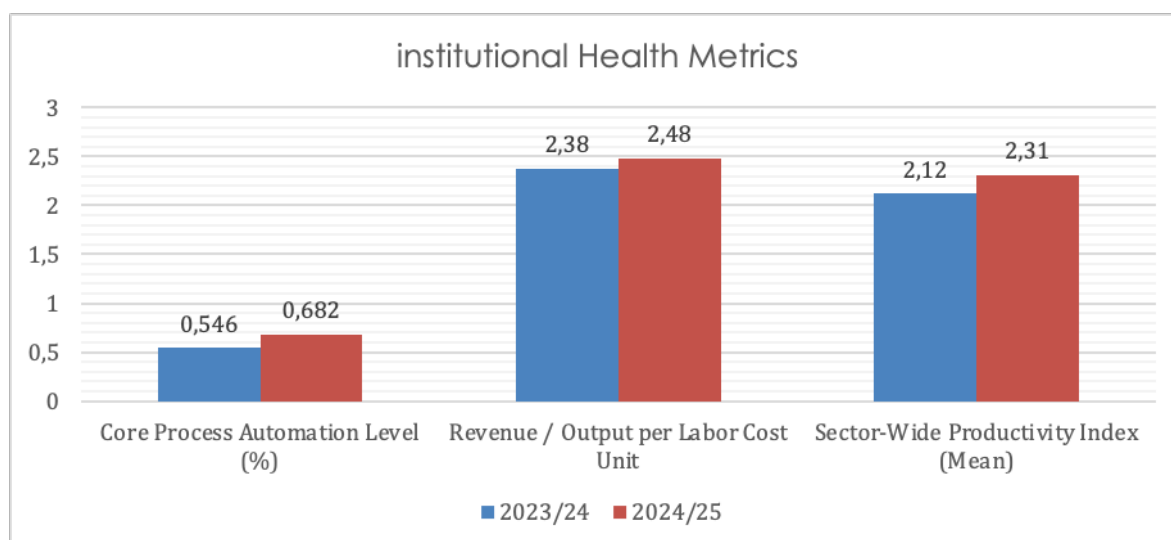


Figure 10: Institution health Metrics in Energy, infrastructure and ICT sector

4.1.2. Macro-Level Productivity Index Analysis

When compiling the explicit, mathematically derived Productivity Indices across all reporting MDAs, the overall public sector performance presents a steady, positive skew.

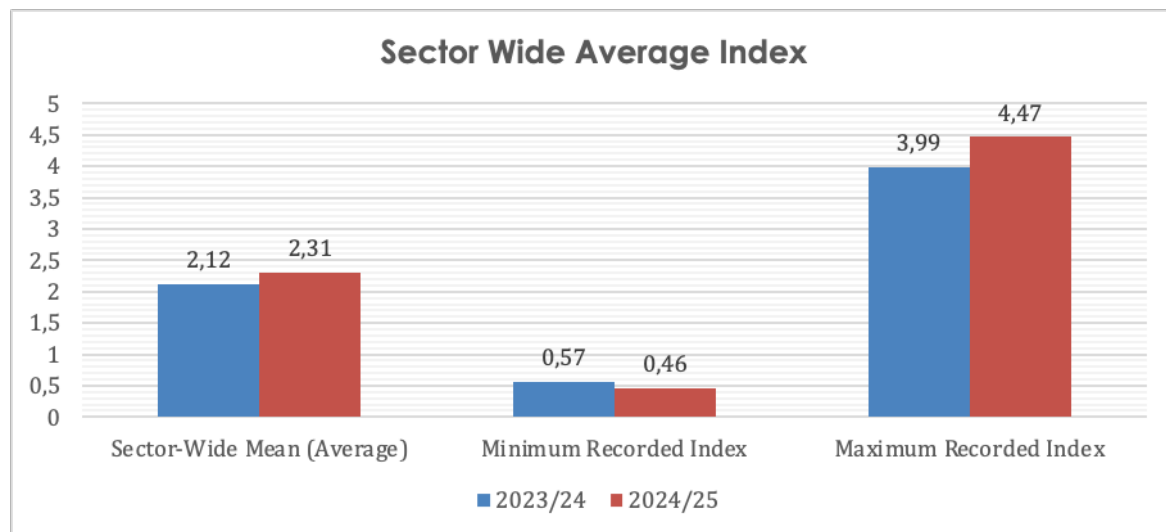


Figure 11: Average indices in Energy, infrastructure and ICT sector

The shift in the public sector mean from **2.12 to 2.31** proves that general efficiency is tracking in the right direction. However, the widening gap between the minimum (0.46) and maximum (4.47) values indicates **growing productivity polarization**. High-performing, digitally native agencies are accelerating rapidly, while heavily bureaucratic or legacy-bound commercial entities are falling behind, dragging down the collective average.

4.1.3. Recommendations

1. Enforce an Automation Ceiling for Underperforming Entities

Because the data proves a clear link between rising automation averages (+24.9%) and positive productivity growth, a central mandate should be established. Any entity operating with a process automation score below the national average of **68.2%** should have its discretionary administrative budget capped until it adopts standardized e-government procurement and service modules.

2. Transition Infrastructure Funding from "Expansion" to "Preservation"

With the asset health index remaining completely flat despite heavy capital injections, funding frameworks must pivot. Sector leadership should pause the onboarding of non-critical new networks and redirect capital to clear the maintenance backlog, ensuring the average asset condition score moves into a positive trajectory before expanding footprints further.

3. Restructure Underperforming Commercial Outliers

The widening polarization in the productivity index shows that market-exposed entities are highly vulnerable to operational shock. Entities that fall below a

Productivity Index of **1.0** for two consecutive periods should be forced into compulsory structural re-engineering. This must involve downsizing overhead costs and automating core revenue collection cycles to match the baseline of their peer groups.

4. Implement Result-Linked Training Frameworks

To bridge the gap between rising training hour averages (+11.5%) and lagging labour productivity growth (+4.2%), human resource frameworks must be overhauled. Future training allocations should not be granted based on chronological schedules. Instead, they must be strictly tied to reducing specific operational turnaround times (TAT) within the employee's direct department.

5. Establish Systemic Technical Loss Mitigation Caps

In the energy and utility sectors, the financial leakage caused by an average system loss of over 20% is unsustainable. Regulatory frameworks should introduce penalizing loss caps. If an operating entity fails to reduce its technical and commercial losses toward an acceptable international benchmark (typically <15%) within a defined fiscal timeline, a portion of its operational budget should be automatically redirected to independent grid-auditing firms.

4.2. Agriculture, Rural and Urban Development

4.2.1. Macro Sector Performance Summary

Table 9: Agriculture, Rural and Urban Development Sector average indices and metrics

Criteria	2023/24			2024/25			Trajectory
	Avg	Min	Max	Avg	Min	Max	
Productivity Index	2.06	0.72	3.50	2.28	0.97	3.54	Positive Gain
Digitalization & Automation (%)	41.5%	0.0%	135.0%	59.2%	20.0%	94.7%	Aggressive Growth
Customer Satisfaction (%)	74.9%	3.3%	99.5%	76.1%	2.7%	94.0%	Slight Improvement
Operating Cost to Revenue (%)	89.6%	89.4%	97.0%	87.4%	86.3%	90.1%	Positive Cost Reduction
Staff Training (%)	37.8%	1.6%	93.2%	35.4%	10.0%	68.6%	Minor Pullback

When all data points are aggregated across the core metrics, we see a sector that is progressively optimizing its structural capacity, heavily funding its digital transformation, and sustaining stable relationships with the public even while pulling back slightly on workforce human capital investments.

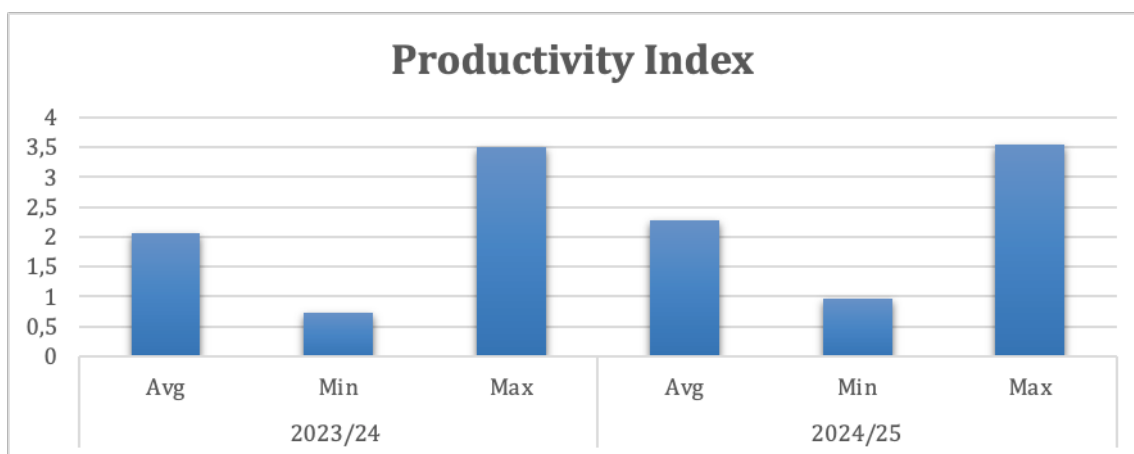


Figure 12: Agriculture, Rural and Urban Development Sector average indices

4.2.2. Structural Analysis

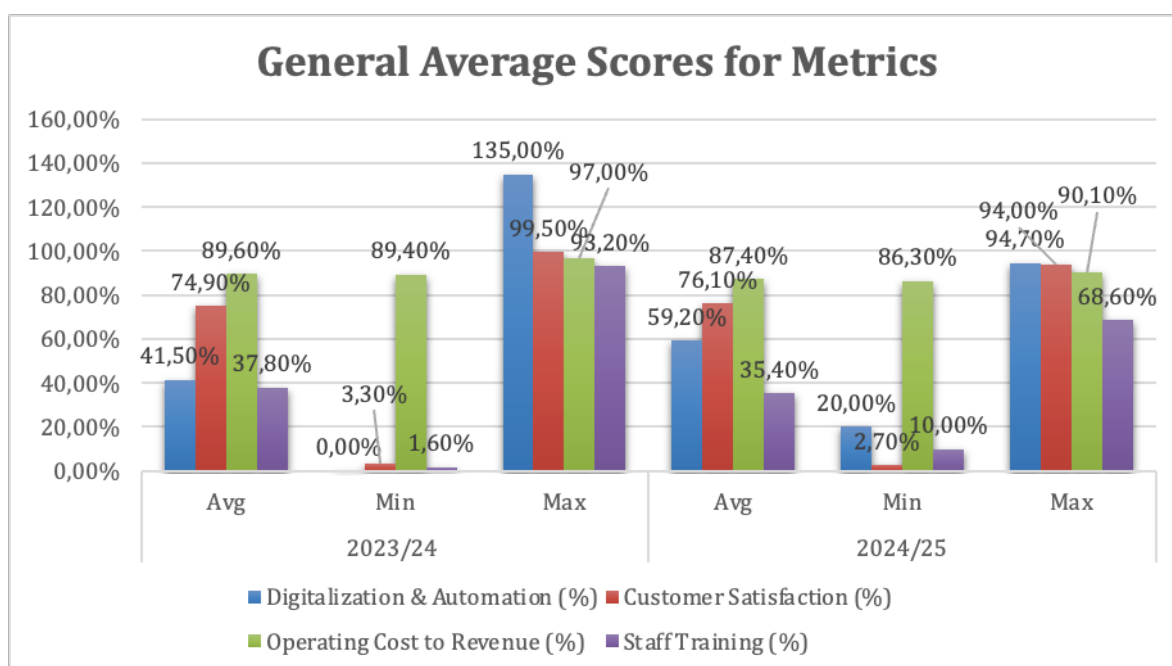


Figure 13: Agriculture, Rural and Urban Development Sector common metrics and scores

4.2.3. Productivity Optimization

The most critical victory for the sector is the climb in the average Productivity Index from **2.06 to 2.28**. This indicates that, on average, the sector generated more baseline value or completed more of its outputs per unit of institutional input than it did in the previous year. The lowest individual productivity score in the sector improved from 0.72 up to 0.97, pushing the entire sector closer to baseline target efficiencies

4.2.4. The Technological Surge

The most significant operational shift occurred in tech adoption. Average automation levels jumped significantly from 41.5% to 59.2%. This indicates a massive structural pivot toward automated workflows, online service platforms,

and computerized frameworks. The Baseline for Automation Rose-In 2023/24, multiple organizations had a baseline of 0% automation. By 2024/25, even the lowest automated entity in this sample had scaled up to 20%, showcasing a sector-wide elimination of completely manual setups.

4.2.5. Cost Control Nuance

The sector operates on thin financial cushions, with an average of 87.4% of revenue still going directly toward operating costs. However, this is a positive reduction from the 89.6% recorded the previous year, suggesting that digitalization may slowly be cutting down bureaucratic overheads.

4.2.6. The Employee-Training Divergence

While customer satisfaction rose slightly to 76.1%, staff training fell marginally to 35.4%. This baseline points to a common public-sector trend: under tightening conditions, internal capacity building is often compressed to preserve external service delivery metrics. Compression of Training Caps: While the sector-wide training average only dropped slightly, the maximum target achieved by any single entity dropped from a high of 93.2% down to 68.6%, supporting the observation that high-intensity training budgets were scaled back across the board.

4.3. HEALTH

4.3.1. Average Productivity Levels

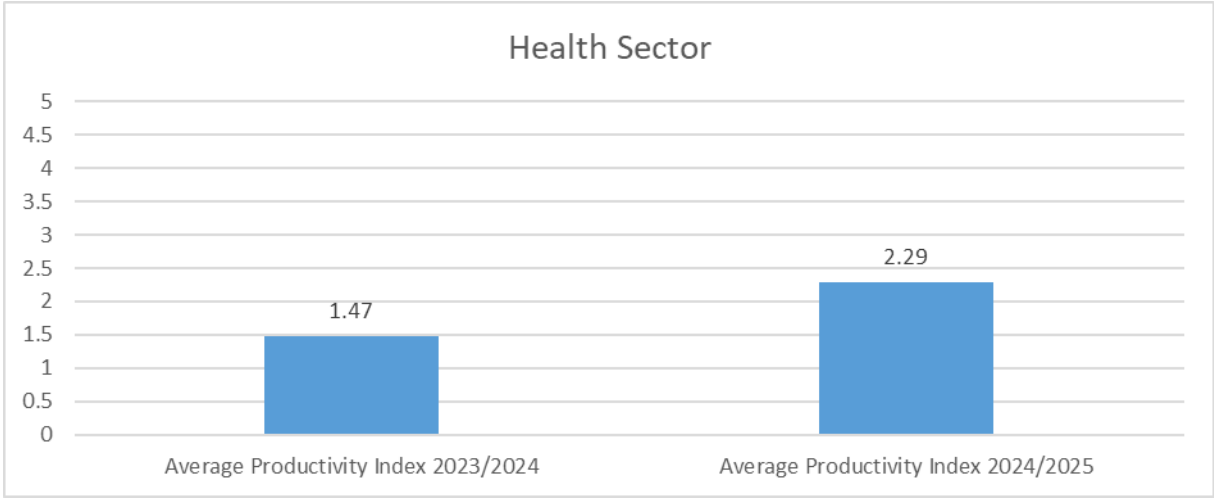


Figure 14: Average productivity indices in the health sector

The Health Sector recorded strong productivity growth. The average productivity index improved from **1.47 in 2023/2024** to **2.29 in 2024/2025**. This improvement was driven by improved healthcare quality, as seen in the decline in readmission rates and the reduction in hospital-acquired infections; all indications of better clinical effectiveness, improved infection prevention, and stronger quality assurance systems.

4.3.2. Common Metrics and Data

Table 10: Common Metric Trends in the Health Sector

Metric Area	FY 2023/2024	FY 2024/2025
Client/customer satisfaction	75.67%	79.21%
Readmission rate	2.42%	1.90%
Hospital-acquired infections	3.09%	2.06%
Bed occupancy	83.00%	76.83%
Prescription fill rate	68.95%	64.75%
Automation and utilization	65.32%	79.78%
Employee satisfaction	66.33%	66.92%
Staff training	55.04%	62.41%

Customer responsiveness and service quality improved across the sector. Customer satisfaction increased from 75.67% to 79.21%, while readmission rates declined from 2.42% to 1.90%. Hospital-acquired infections also declined from 3.09% to 2.06%, indicating improvements in clinical effectiveness, infection prevention, and quality assurance systems.

Automation and digital utilization improved significantly, increasing from 65.32% to 79.78%. This is an indication of stronger ICT integration, improved operational continuity, and increasing reliance on digital service delivery systems.

Staff training improved from 55.04% to 62.41%, indicating increased investment in workforce capacity development. Employee satisfaction remained fairly constant.

While some turnaround and system indicators improved, bed occupancy was below optimal and prescription fill rate was also poor. These trends suggest emerging capacity utilization and supply chain challenges within the sector.

4.3.3. Recommendations

1. Strengthen supply chain and inventory management to address prescription fill rates and sourcing lead time.
2. Improve staff welfare and motivation to address workload pressure, burnout, and weak staff support systems.
3. Reduce waiting time and improve patient flow.
4. Establish integrated complaints management and customer feedback systems.
5. Adopt integrated sector-wide productivity reforms for easier monitoring and management.

4.4. NATIONAL SECURITY

MDAs in this sector are yet to establish a baseline productivity level.

4.5. PUBLIC ADMINISTRATIONS AND INTERNATIONAL RELATIONS

4.5.1. Average Productivity Levels

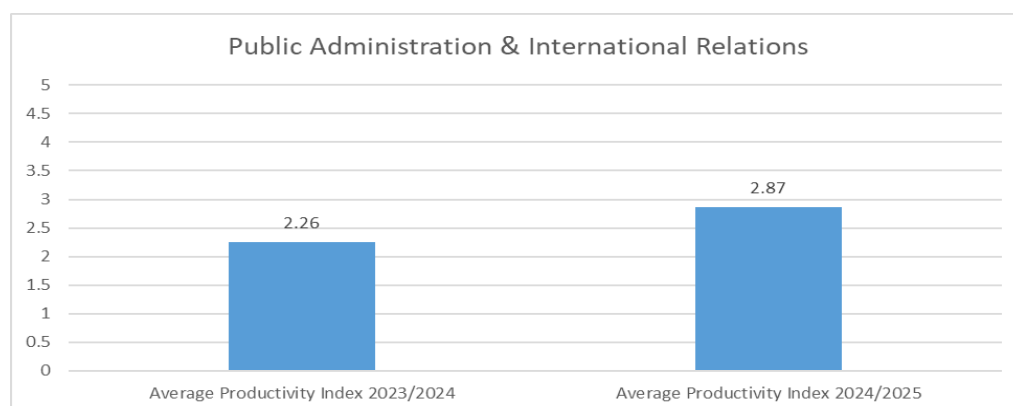


Figure 15: Average productivity indices in the public administrations and international relations sector

The Public Administration and International Relations sector recorded moderate productivity growth. The average productivity index improved from **2.26 in 2023/2024** to **2.87 in 2024/2025**. This improvement was driven by operational efficiency, automation, governance, and financial management.

4.5.2. Common Metrics and Data

Automation improved from **88.85%** to **92.67%**, while system availability improved from **97.39%** to **98.34%**. This shows that the sector is increasingly supported by reliable ICT platforms and automated business processes. Service delivery efficiency improved substantially with considerable improvements in turn-around times of major services. These reductions point to stronger process re-engineering and better internal workflow management.

Governance and resource management also improved. Procurement plan adherence rose from **69.78%** to **90.94%**. This shows improved planning, procurement discipline, and implementation capacity.

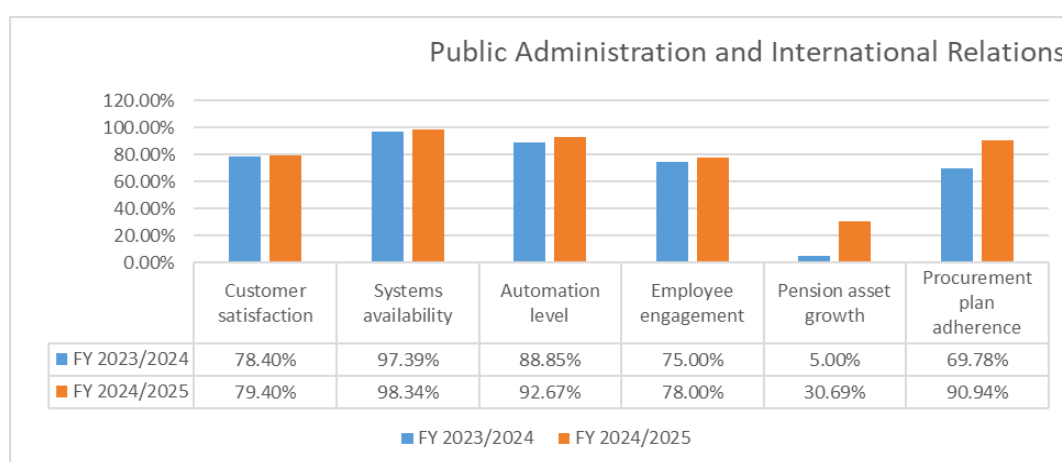


Figure 16: Common metrics in the public administrations and international relations sector

Financial sustainability indicators also strengthened. Pension asset growth improved from **5.00% to 30.69%** indicating that Kenyans are considerably adopting a saving-for-retirement culture.

Customer satisfaction remained relatively high and stable, improving from **78.40% to 79.40%**. Employee engagement also improved from **75.00% to 78.00%**, suggesting a moderately positive working environment.

4.5.3. Recommendations

- 1. Enhance financial and procurement efficiency through contract management, reduce payment processing delays, and monitoring of operational cost efficiency.
- 2. Institutionalize continuous process re-engineering through regular business process reviews and lean operational management.

4.6. Social Protection, Culture and Recreation

4.6.1. Average Productivity Levels

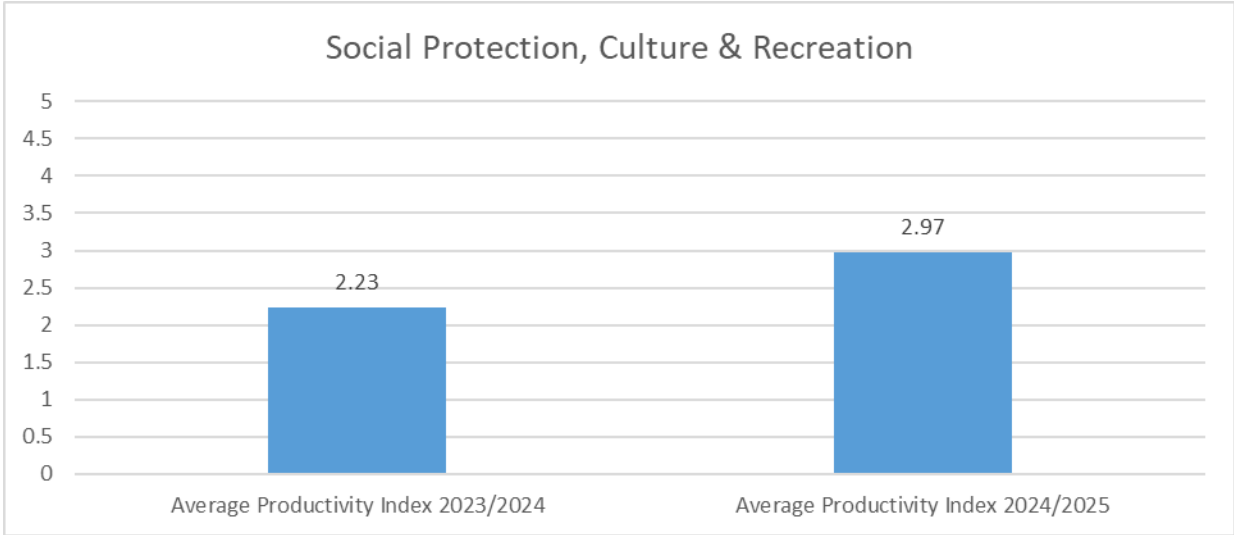


Figure 17: Average productivity indices in the Social Protection, Culture and Recreation sector

The Social Protection, Culture & Recreation Sector improved from an average productivity index of 2.23 in 2023/2024 to 2.97 in 2024/2025.

The improvement was mainly driven by automation, service responsiveness, programme implementation, and staff-related gains. Automation improvements indicate significant digital transformation. This improvement is important because many services in this sector depend on outreach, records management, beneficiary tracking, digital access, and programme monitoring.

4.6.2. Common Metrics and Data

Customer satisfaction and responsiveness improved significantly from an average of 68.95% to 80.54%, indicating better public engagement, improved access to services, stronger beneficiary support systems, and improved responsiveness to complaints and requests.

Automation and digitization improved from 41.50% to 57.97%, reflecting increased use of digital platforms, automated processes, online systems, and digitized programme management tools. This improvement is important because many services in this sector depend on outreach, records management, beneficiary tracking, digital access, and programme monitoring.

Staff training and capacity development improved from 52.41% to 69.54%, indicating increased investment in workforce capability and institutional readiness. Employee satisfaction also improved from 63.85% to 72.01%, indicating improved staff morale and operational engagement.

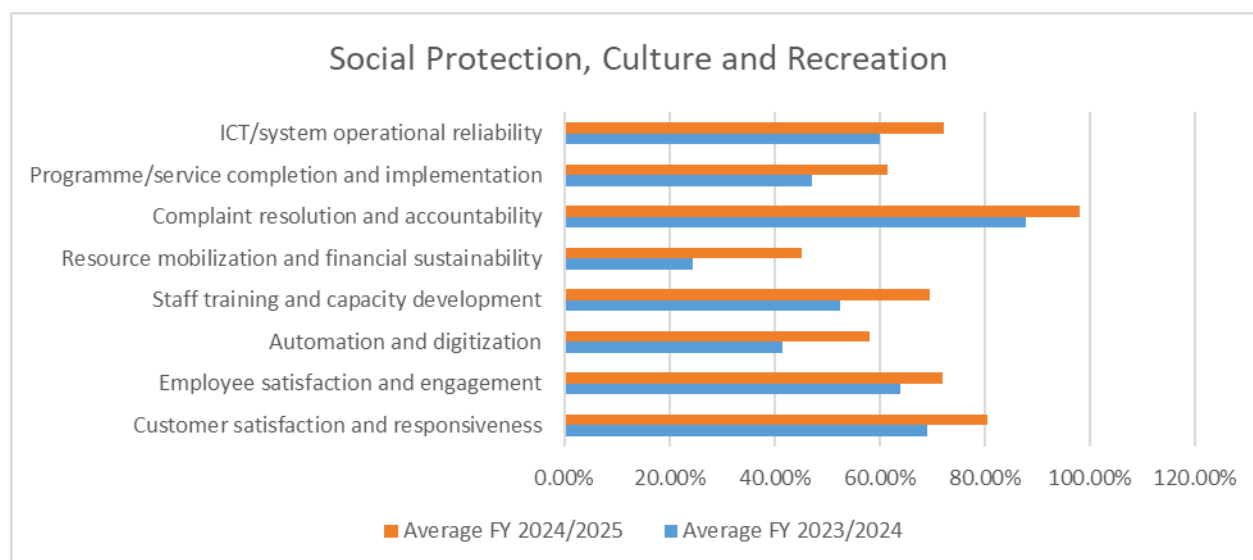


Figure 18: Common metrics in the Social Protection, Culture and Recreation sector

Operational efficiency improved substantially with average turnaround time for benefits payment reduced from 15.00 days to 9.00 days, indicating faster service delivery and improved operational processing efficiency.

Programme implementation and completion indicators improved from 47.16% to 61.53%, indicating stronger implementation capacity, improved project execution, and better operational coordination.

Resource mobilization and financial sustainability indicators improved from 24.42% to 45.21%, indicating stronger ability to mobilize resources, attract partnerships, and sustain programmes operationally.

4.6.3. Recommendations

1. Strengthen programme implementation and monitoring through tracking and reporting systems, and standardized programme performance dashboards.
2. Enhance customer and/or beneficiary responsiveness through beneficiary feedback and grievance handling systems, improvement in communication and outreach and strengthening of citizen engagement and public awareness initiatives.

3. Strengthen resource mobilization and financial sustainability to reduce overreliance on exchequer funding.
4. Expand partnership and collaborative networks since many sectoral programmes rely heavily and partnerships and stakeholders' engagement.

4.7. EDUCATION

4.7.1. Average Productivity Levels

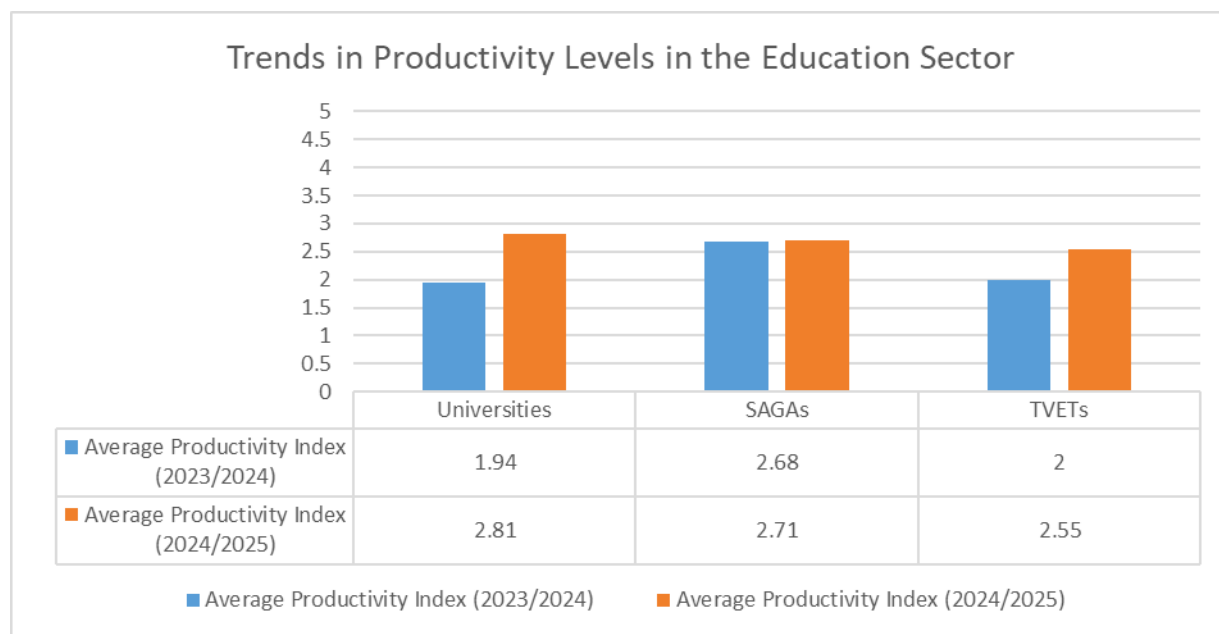


Figure 19: Average Productivity Indices in the Education Sector

Figure 1 shows the average productivity indices in the Education Sector in 2023/2024 and 2024/2025.

Universities recorded a notable improvement in average productivity index from **1.94** in **2023/2024** to **2.81** in **2024/2025**. This indicates a strong upward trend in institutional productivity, driven by improvements in digital learning adoption, research outputs, student completion rates, staff capacity development, and operational efficiency initiatives.

SAGAs in the Education Sector maintained relatively stable productivity levels, moving slightly from an average of **2.68** in **2023/2024** to an average of **2.71** in **2024/2025**. The stability may reflect mature operational systems and standardized service delivery structures.

TVET institutions showed significant improvement, with the average productivity index increasing from **2.00** in **2023/2024** to **2.55** in **2024/2025**. This positive trend points to enhanced institutional productivity in areas such as trainee enrollment, completion rates, linkage partnerships, digitalization, and staff development. The growth also reflects the continued government emphasis on strengthening technical and vocational education as a driver of skills development and employability.

4.7.2. Common Metrics and Data

4.7.2.1. Universities

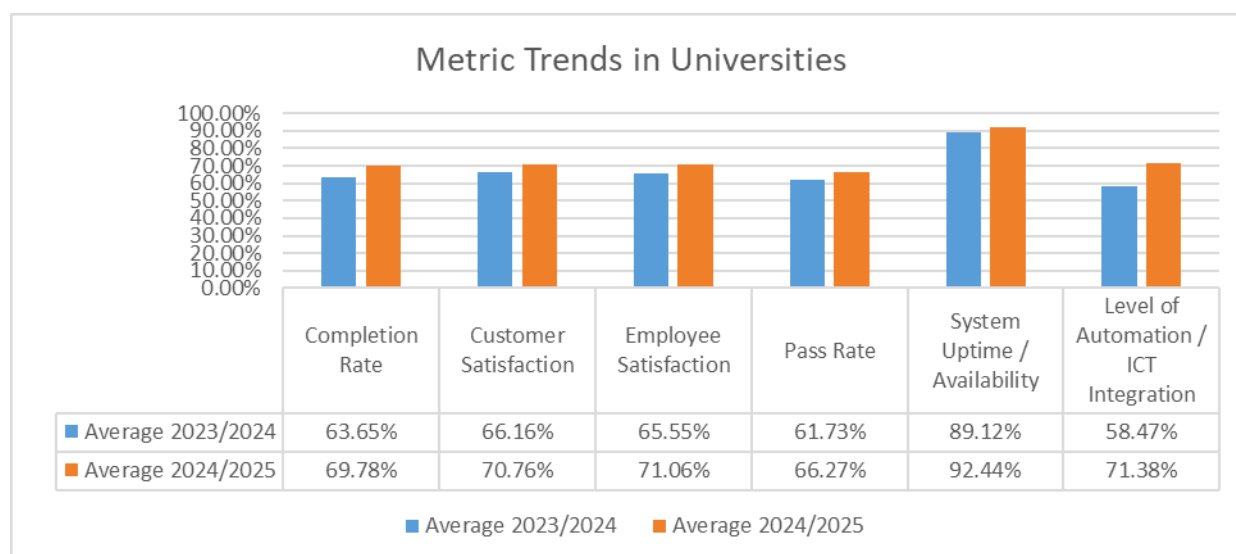


Figure 20: Common metric trends in universities

Universities showed improvement in operational and service-delivery related metrics between FY 2023/2024 and FY 2024/2025. Metrics such as Completion Rate, Customer Satisfaction, Pass Rate, and System Availability/Uptime all recorded positive growth, suggesting enhanced academic performance, improved student services, and stronger ICT infrastructure. The rise in ICT integration in learning indicates an improvement in digital transformation.

4.7.2.2. Semi-Autonomous Government Agencies

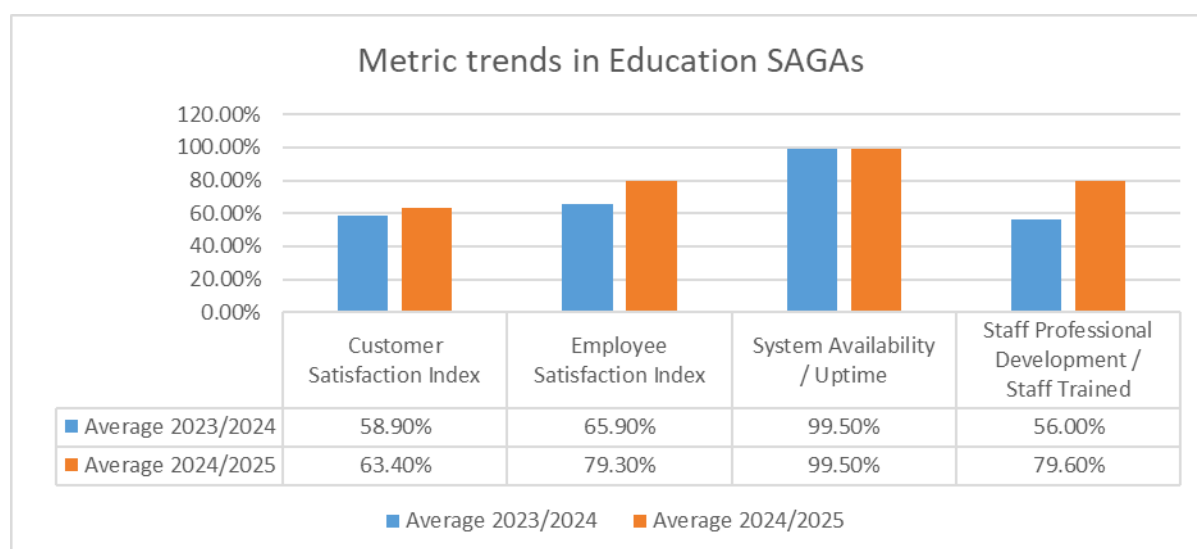


Figure 21: Common metric trends in Education SAGAs

The SAGAs demonstrated improvements between FY 2023/2024 and FY 2024/2025, particularly in employee satisfaction, staff development, and customer satisfaction. The strong increase in employee satisfaction and training indicators suggests growing investment in human capital development and organizational capacity building. However, staff capacity development is still

below optimal levels. System availability remained consistently high across the agencies, indicating stable ICT and operational infrastructure.

4.7.2.3. TVETS

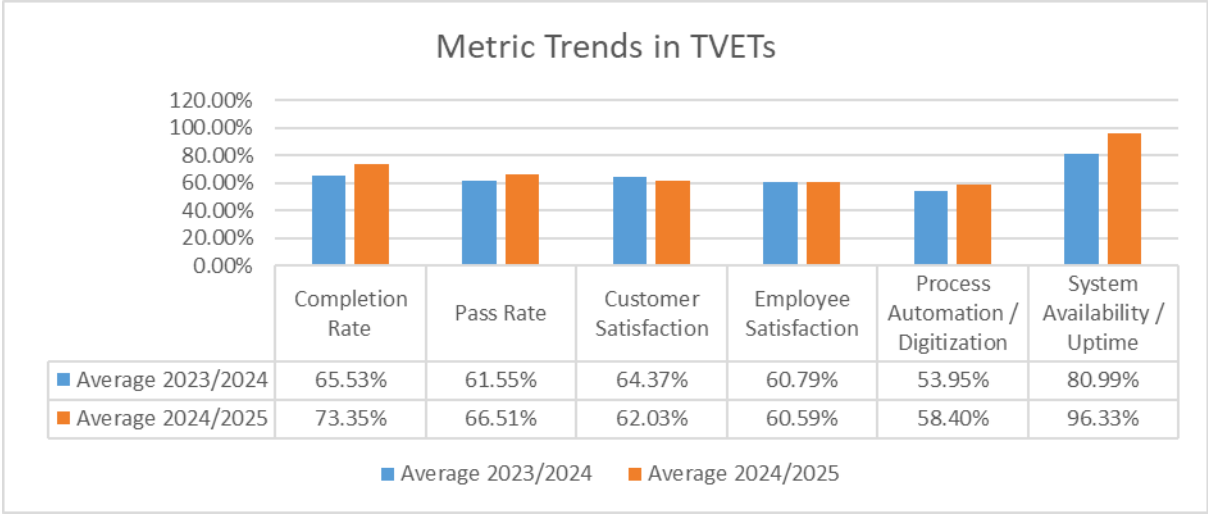


Figure 22: Common metric trends in TVETs

TVETs demonstrated improving productivity between FY 2023/2024 and FY 2024/2025, particularly in completion rates, pass rates, and system availability. The strong increase in completion and pass rates suggests improvements in trainee retention and instructional effectiveness. The rise in system availability points to better ICT infrastructure and operational reliability within TVET institutions. Process automation improved moderately, indicating gradual digitization of administrative and learning processes. However, customer satisfaction and employee satisfaction remained relatively stable, reflecting growing service demand, resource constraints, and higher stakeholder expectations.

4.8. ENVIRONMENTAL PROTECTION, WATER AND NATURAL RESOURCES

4.8.1. Overview

The data represents the average performance of common metrics used within the water and environmental protection sector to assess operational efficiency, service delivery, financial sustainability, project implementation, and stakeholder satisfaction. The indicators include Customer Satisfaction Index (CSI), Employee Satisfaction Index (ESI), Project Completion Rate (PCR), Revenue Growth (RG), Water Coverage Level (WCL), Sanitation Coverage Level (SCL), and Non-Revenue Water (NRW).

4.8.2. Overall Sector Performance Trend

The average sector index grew from **1.68 to 2.57** out of a possible **5**. The increase in the Productivity index (informed by various PIP) has a direct relationship to growth in business, improvement in the quality of services provided and sustainability.

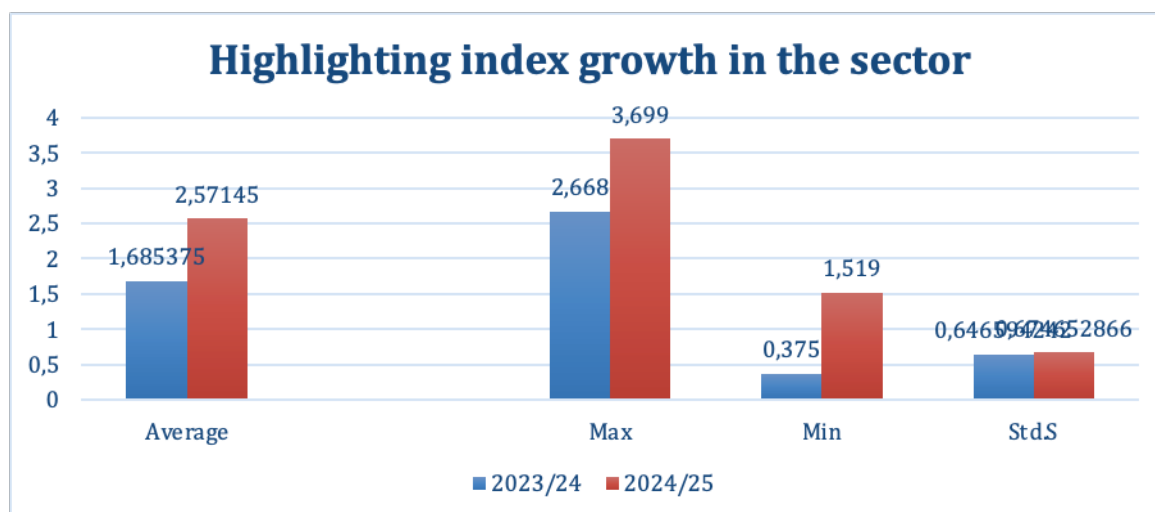


Figure 23: Average Productivity Indices in the environmental protection, water and natural resources sector

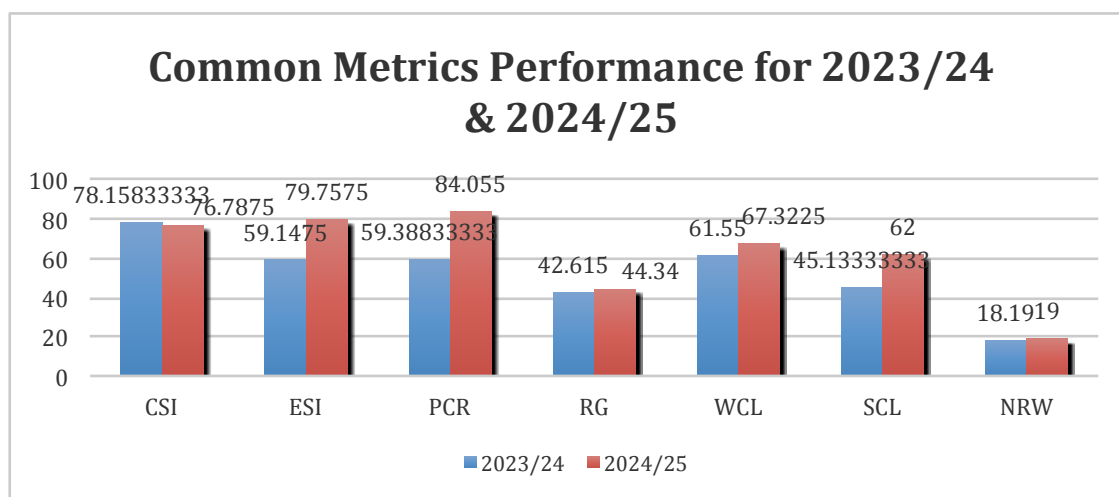


Figure 24: Common metrics in the environmental protection, water and natural resources sector

Key

CSI – Customer Satisfaction Index

EEI – Employee Engagement Index

PCR – Project Completion Rate

Revenue Growth

WCL – Water Coverage Level

SCL – Sanitation Coverage Level

NRW – Non-Revenue Water

The sector recorded overall improvement across most performance indicators between 2023/24 and 2024/25. Significant progress was observed in employee satisfaction, project completion, water coverage, and sanitation coverage. These improvements suggest that water sector institutions generally enhanced

operational performance, expanded service delivery, and strengthened internal organizational capacity during the review period.

However, slight deterioration was noted in customer satisfaction, and non-revenue water management. This indicates that although infrastructure and institutional performance improved, some service quality and operational efficiency challenges remain.

4.8.3. Analysis of Individual Indicators

4.8.3.1. Customer Satisfaction Index (CSI)

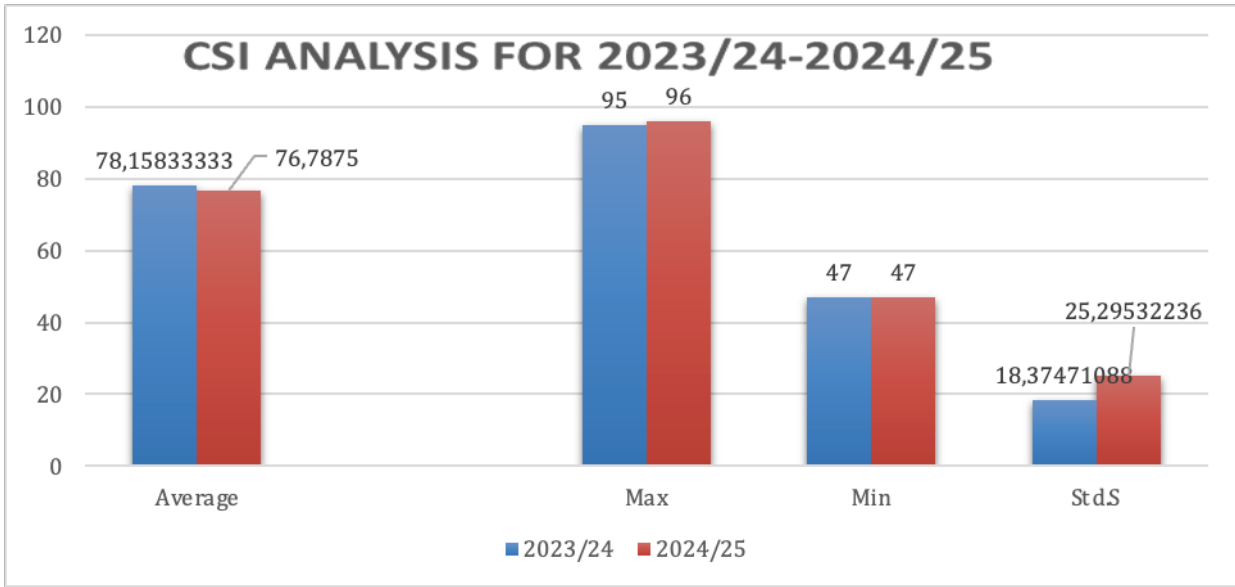


Figure 25: Customer Satisfaction Index in the environmental protection, water and natural resources sector

The average CSI declined slightly from **78.16%** in 2023/24 to **76.79%** in 2024/25. Also, the maximum CSI was 96% which is very for water industry.

Despite the index remaining relatively high, the decline may indicate that customer concerns regarding service reliability, delayed complaint resolution, supply interruptions, or dissatisfaction arising during expansion and infrastructure improvement activities have not been address. Notably from the data analysis, the payment of project affected persons (PAP) in most water projects impacted the CSI in the sector.

Sector Interpretation

The sector continues to maintain fairly strong customer confidence, but improvements in customer experience and responsiveness are necessary to sustain satisfaction levels.

4.8.3.2. Employee Satisfaction Index (ESI)

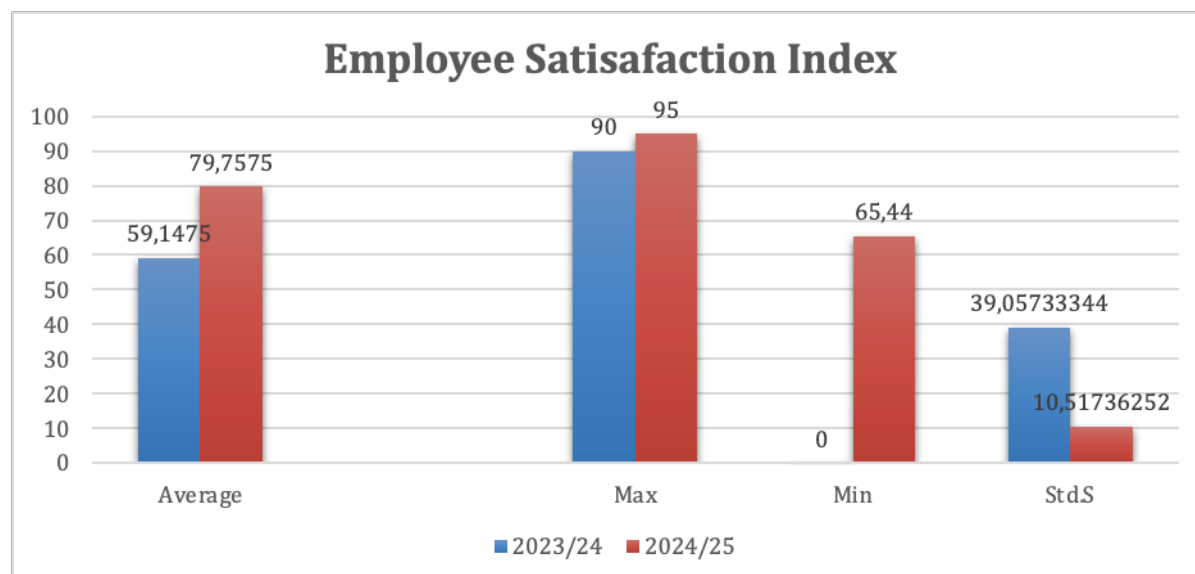


Figure 26: Employee Satisfaction Index in the environmental protection, water and natural resources sector

The ESI increased significantly from **59.15%** to **79.76%**. This reflects substantial improvement in staff welfare, working conditions, employee engagement, and institutional management practices.

Sector Interpretation

Higher employee satisfaction is likely contributing positively to operational efficiency and project implementation across the sector.

4.8.3.3. Project Completion Rate (PCR)

Projects Completion Rate improved considerably from **59.39%** to **84.06%**. This indicates stronger capacity in project execution, implementation monitoring, resource utilization, and infrastructure delivery. There is however a considerable deviation in the PCR of 39.057 an indication that only a few MDAs in the sector improved. The measure showed considerable change when external factors like funding of projects.

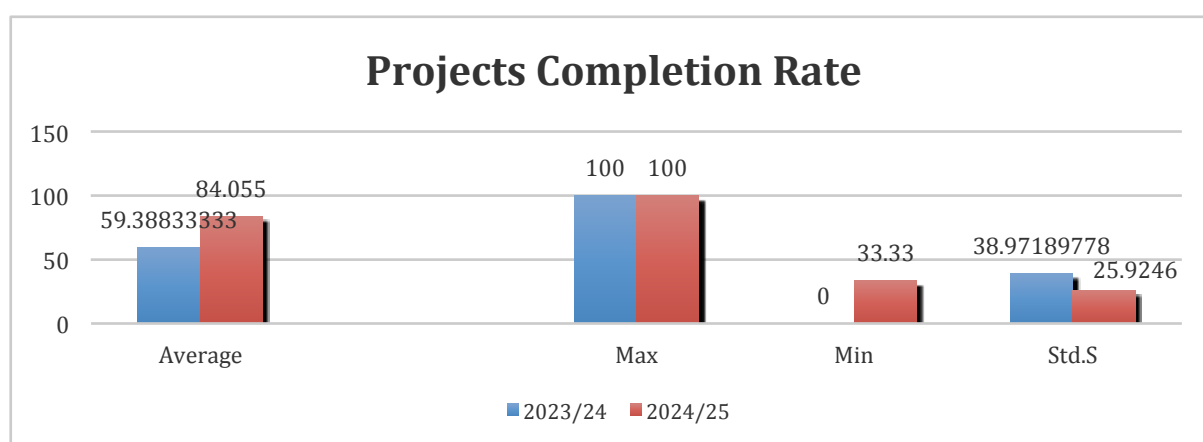


Figure 27: Projects completion rate in the environmental protection, water and natural resources sector

Sector Interpretation

The sector demonstrated improved effectiveness in delivering planned development owing to the analysis and productivity improvement initiatives identified

4.8.3.4. Revenue Growth

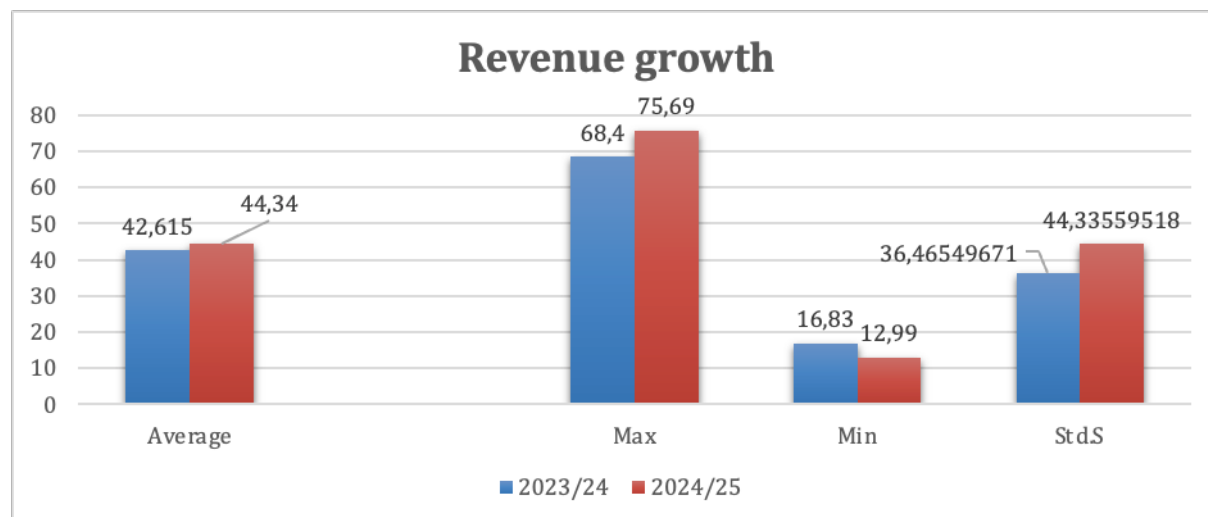


Figure 28: Revenue growth in the environmental protection, water and natural resources sector

Water sector showed low percentage of revenue generation growing from 44.34% from 42.615%. Most of the organization; especially water works development agencies rely primarily on Exchequer funding. The reality points on low sustainability issues. Further, reliance on exchequer underpins the major reason behind low completion rates in the water sector.

4.8.3.5. Water Coverage Access level and Sewerage Access Level.

Water Coverage Level of 61.5% is below the national target of 80% with the minimum ratio being 60%. There is still 40% of Kenyan population on average that is unable to access clean and safe water. On the other hand, the Sanitation Coverage Level of 64.733 in the urban centres is still low against the national target. It shows that there are a number of towns in the country that are still dependent on exhauster services or have poor sewerage and sanitation services.

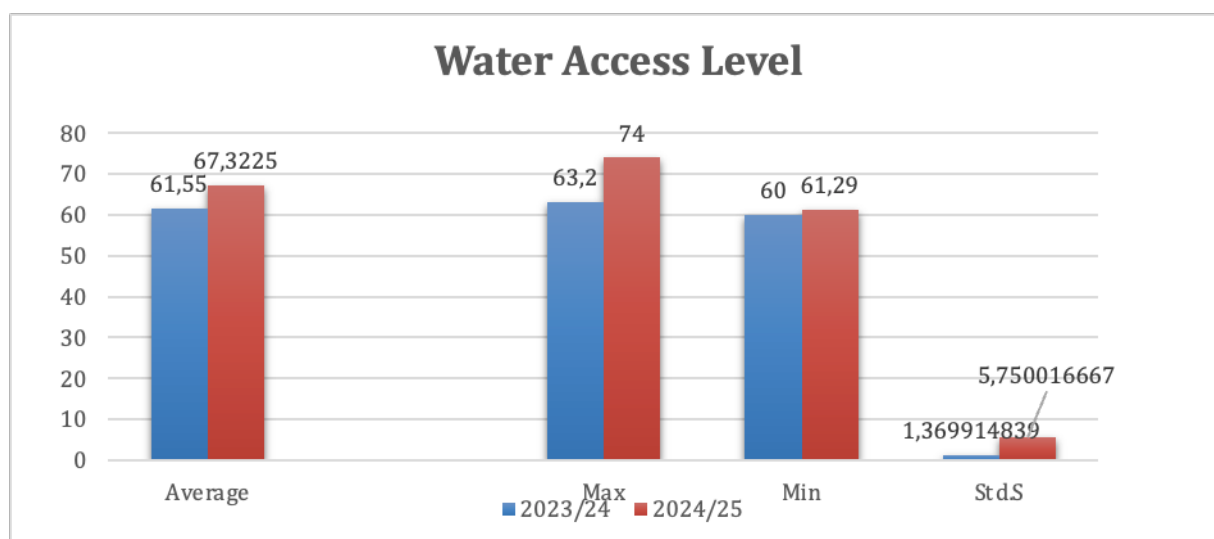


Figure 29: Water access level in the environmental protection, water and natural resources sector

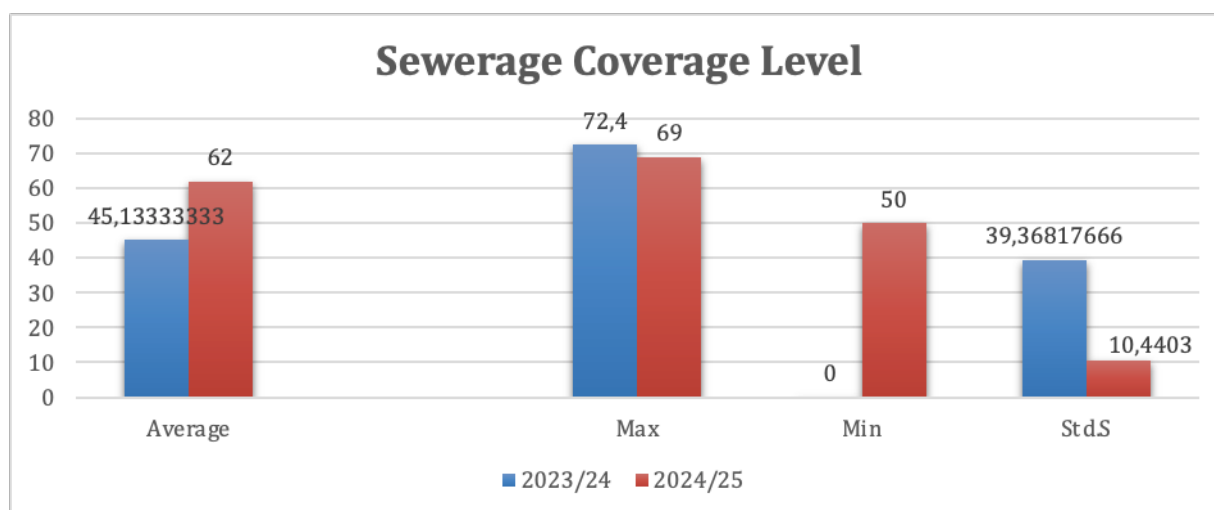


Figure 30: Sewerage coverage in the environmental protection, water and natural resources sector

4.8.4. Recommendations

1. The water sector should strengthen customer service delivery by improving response to consumer complaints, minimizing water supply interruptions, and ensuring timely compensation of Project Affected Persons (PAPs) during project implementation in order to enhance customer satisfaction levels.
2. Water institutions should prioritize investment in water supply and sewerage infrastructure to increase water and sanitation coverage levels toward the national targets and improve access to clean and safe water for underserved populations.

3. The sector should enhance financial sustainability by reducing overreliance on Exchequer funding through improved revenue collection systems, reduction of Non-Revenue Water (NRW), and adoption of efficient financial management practices.
4. Low-performing MDAs should benchmark against better-performing institutions and strengthen project planning, monitoring, and implementation mechanisms to ensure consistent improvement in project completion rates across the sector.
5. There is need for continuous staff capacity building, adoption of digital technologies, and strengthening of monitoring and evaluation systems to improve operational efficiency, accountability, and long-term sustainability within the water sector.

4.9. GENERAL ECONOMIC AND COMMERCIAL AFFAIRS

4.9.1. Average Productivity Levels

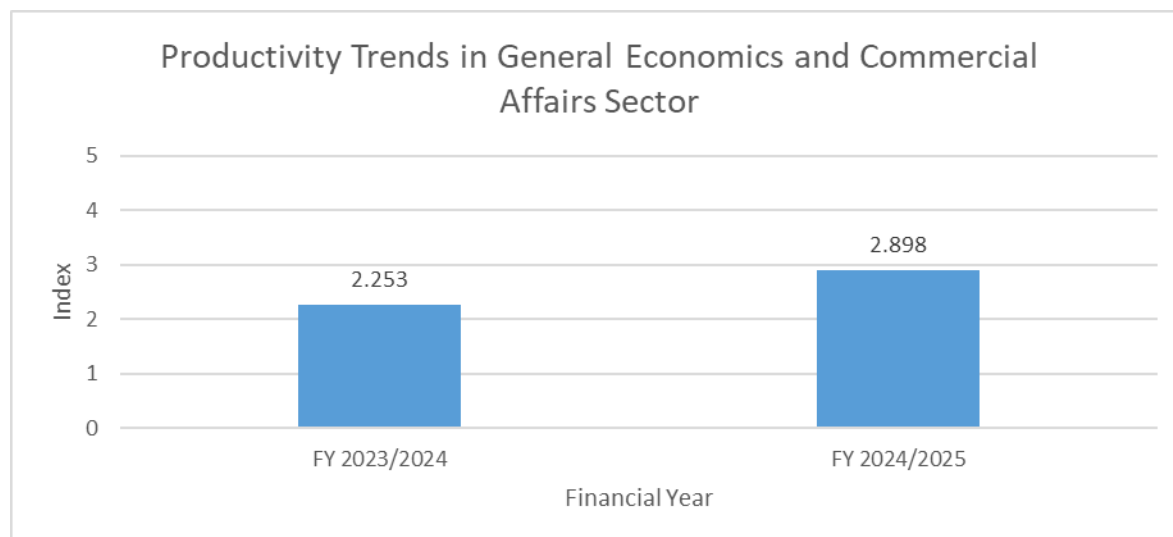


Figure 31: Average productivity indices in the general economic and commercial affairs sector

The General Economics & Commercial Affairs Sector recorded a notable improvement in productivity between FY 2023/2024 and FY 2024/2025. The average productivity index increased from 2.253 to 2.898, representing an improvement of 28.6%. The sector demonstrated stronger operational performance in trade facilitation, investment promotion, tourism management, industrial development, commercialization, customer responsiveness, and automation of services.

4.9.2. Common Metrics and Data

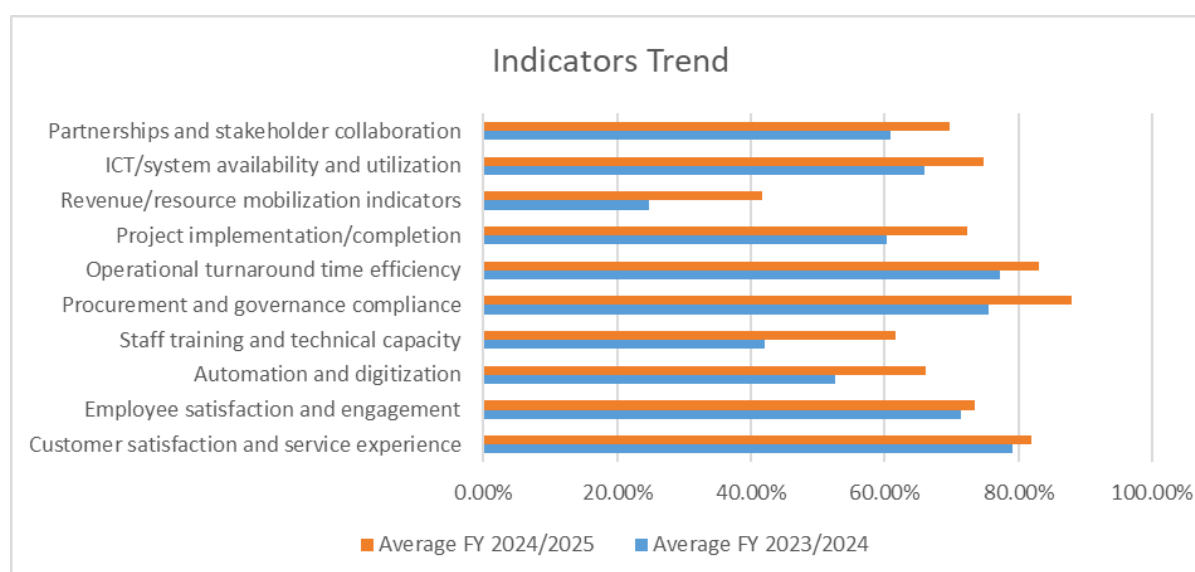


Figure 32: Common metrics in the general economic and commercial affairs sector

Trade facilitation improved as demonstrated by improved turnaround time for approvals, inspections, cargo/service processing, dispute resolution and service delivery efficiency.

Investment promotion improved as demonstrated by the higher active partnerships and collaborations and high investor satisfaction. This improvement reflects stronger investor engagement, increased institutional responsiveness, and better facilitation of investment opportunities.

Improved customer responsiveness and stronger stakeholder collaboration indicate better tourism support services, stronger destination management coordination, and improved service delivery to tourists and tourism operators. Increased digitization also suggests improved accessibility of tourism services and information systems.

Commercialization and revenue mobilization improved indicating better utilization of institutional assets, stronger commercialization of services, improved business operations, and enhanced resource mobilization strategies. Institutions increasingly demonstrated stronger financial sustainability.

Digital transformation significantly improved operational performance across trade, investment, tourism, and industrial functions. Increased automation reduced manual processing, improved operational continuity, and enhanced service accessibility.

Improved governance and compliance indicators indicate stronger operational discipline, improved procurement management, and better adherence to regulatory and operational procedures. This strengthened accountability and institutional execution capacity across sector operations.

4.9.3. Recommendations

1. Strengthen automation and digital integration across licensing, approvals, inspections, certification, tourism, investment and trade facilitation processes.
2. Standardize and reduce operational turnaround times through workflow optimization, business process re-engineering, and service delivery monitoring.
3. Enhance customer experience systems through integrated feedback, complaints handling, and digital customer support platforms.
4. Continuous investment in staff technical training, industrial capability, ICT skills, and regulatory competencies.

4.10. GOVERNANCE, JUSTICE, LAW AND ORDER SECTOR

The data across these regulatory, research, and legal institutions highlights distinct areas where the public sector is highly proficient, alongside noticeable gaps in resource efficiency and systemic friction include:

- Public Access & Digital Infrastructure (**Average System Uptime stands at 93.2%**)- Across the entities providing technology availability data, core systems maintain a highly resilient baseline, keeping digital portals online for citizens and stakeholders.
- Customer & Stakeholder Satisfaction (**Average Score 72.9%**): Citizen-facing metrics generally scored well, proving that institutions are maintaining a healthy baseline of user approval across their standard operational remits.
- Operational Productivity Baseline (**Average Productivity Index 2.312**): When aggregating the overall final output efficiency scores across these agencies, the collective productivity rests at a baseline indicating positive operational growth, though it remains highly uneven across different sectors.

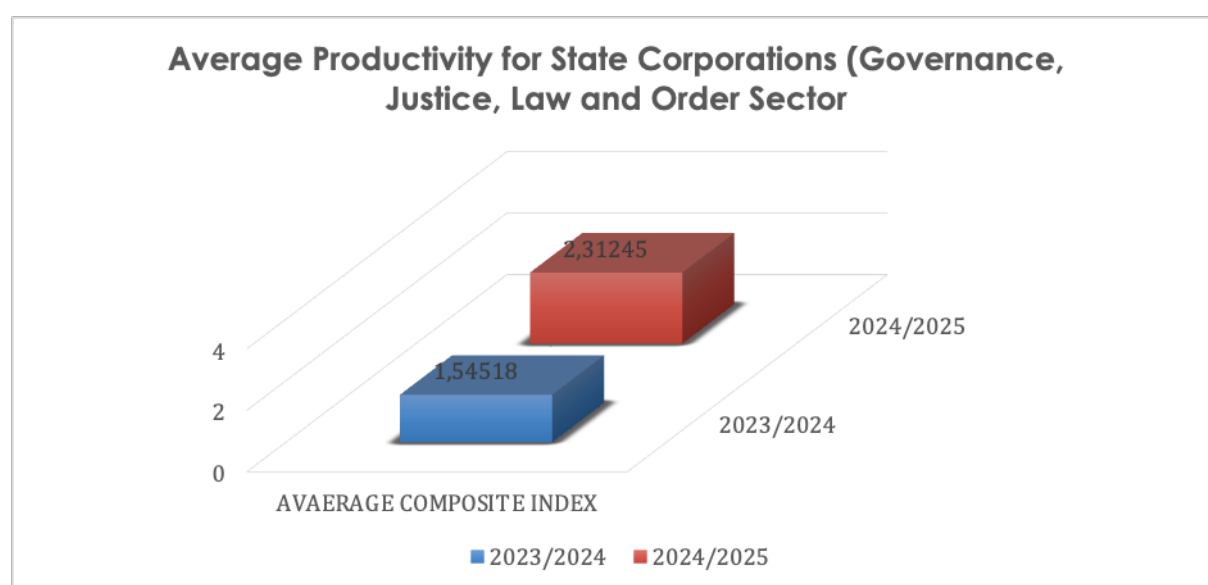


Figure 33: Average Productivity indices in the Governance, Justice, Law and Order Sector

4.10.1. Cross-cutting Analysis

When we look beyond individual data lines, three massive operational themes emerge across the collective dataset.

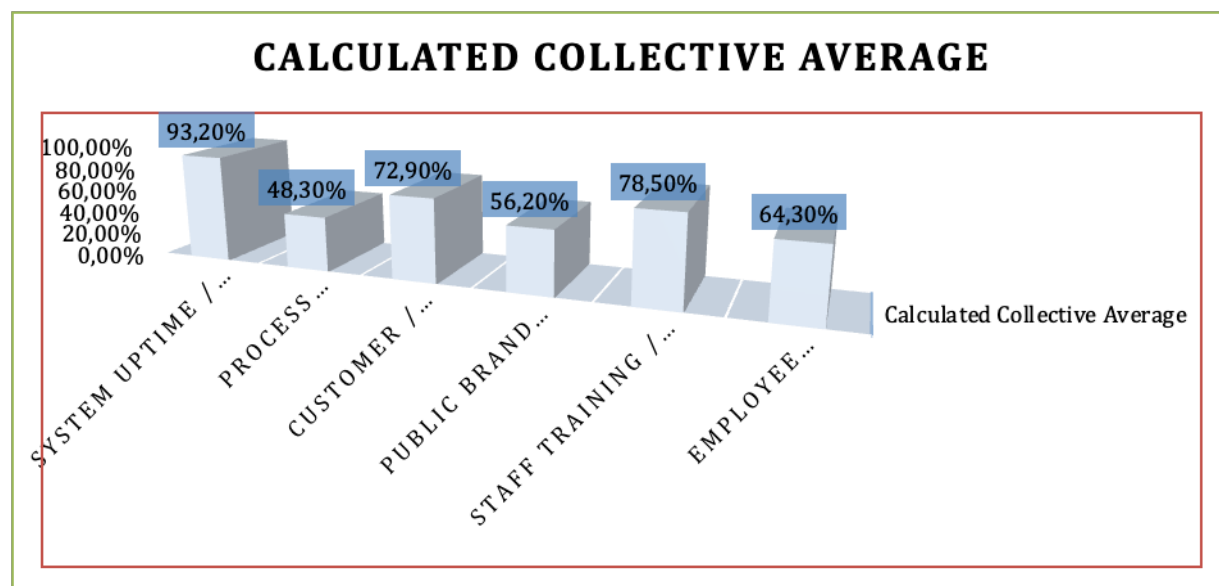


Figure 34: Common metrics in the Governance, Justice, Law and Order Sector

1. The Automation Paradox: High Infrastructure vs. Low Functional Clean-up

While the average infrastructure availability (system uptime) is highly successful at **93.2%**, actual process automation and data integrity lag far behind.

- **The Issue:** Agencies are great at keeping the lights on, but the deeper data migration, legacy cleanup, and end-to-end automation scores drop to a collective average closer to **48.3%**.

The Result: This stark contrast suggests that while front-facing digital storefronts are functional, the internal back-office workflows still heavily rely on manual intervention.

2. Turnaround Time (TAT) Deficits in Citizen-Facing Services

Across the dataset, metrics tracking service delivery timelines tell a tale of friction. While institutional planning and compliance scores routinely clear the 80%-mark, actual administrative velocity suffers.

- **The Bottleneck:** Turnaround times for processing standard requests, manufacturing critical deliverables, or disseminating mandatory research struggle to maintain speed.
- **The Backlog:** When these operational timelines stall, they often suffer steep efficiency drops, showing that internal bureaucratic chains still create immense drag despite adequate system availability.

3. High Internal Training Focus vs. Lagging Employee Satisfaction

There is a visible divergence between human resource investment and human resource sentiment across these public frameworks:

- **Staff Training Execution:** Registers a highly robust collective average of 78.5%, showing aggressive commitment to capacity building and training programs.
- **Work Environment & Employee Satisfaction:** Drops to a collective average score of 64.3%.

This trend indicates that while public servants are being actively upskilled, underlying workplace friction, structural delays, or resource constraints continue to suppress overall internal morale.

4.10.2.General Summary

The aggregated framework proves that these institutions have successfully built solid public satisfaction and high digital availability. To unlock the next level of public sector execution, strategic focus must shift away from general capacity building and move directly toward accelerating back-office turnaround times and finalizing end-to-end process automation.

CHAPTER 5: LESSONS LEARNT ON PRODUCTIVITY MANAGEMENT IN THE PUBLIC SERVICE

5.1. Lessons Learnt

Since FY 2022/2023, the National Productivity and Competitiveness Centre has drawn key lessons from productivity mainstreaming in the public service. These lessons can be used to guide policy refinement and implementation within the mainstream public service and all government agencies. It's important to note that these lessons are as a result of thorough analysis of history of productivity mainstreaming and the prevailing situation in the Kenyan Public Service.

1. Initial buy-in, awareness creation and adoption of productivity management. Productivity management requires continuous engagement of MDACs both at the management and at the technical/operational levels. While adoption lies at the 75th percentile, actual commitment by MDACs varies widely with some only embracing the exercise because it is a Performance Contracting Indicator and not as a Result Management and Value-adding management tool.
2. Data analysis and interpretation is critical. Data in MDACs exist albeit in fragmented forms. Productivity measurement metrics helped in aligning this data with institutional objectives. This alignment helped in analysis and drawing of useful information from the data which was then used to drive initial reforms. There's an urgent need to institutionalize data management in all MDACs. This will be very crucial in planning and budgeting.
3. Capacity building efforts. Training and sensitization workshops have helped in demystifying productivity. NPCC has trained productivity mainstreaming committees and productivity champions in MDACs. These groups are very crucial in entrenching a productivity culture in their respective MDACs. In order to enhance adoption, there's also need to sensitize all staff (Management and Operational) within MDACs. This will ensure that there's commitment and involvement of everyone in the productivity journey.
4. Inter-Agency Collaboration. The processes encouraged and used inter-agency collaboration on common challenges and best practices in productivity management. Crucial to this endeavour was the 3rd wage bill conference in which some MDACs were chosen to speak on productivity mainstreaming and its impact in their institutions. To enhance productivity adoption, there's need to leverage on such collaborations and consultations among MDACs. This will demystify productivity and its practicability.
5. Need for continuous feedback and monitoring. Current systems rely on a one-off measurement which is repeated annually. True productivity management requires iterative cycles of data collection, analysis, feedback, and action. This will ensure that there's a continuous

improvement in systems, processes and people and eventually an improvement in individual, departmental and organizational productivity.

6. ICT infrastructure and digitization are key enablers of productivity. Where MDACs had digital systems for service delivery, monitoring and reporting, data was easily extracted and analysed. This provided for an accurate interpretation of the MDACs productivity and eliminated data manipulation.
7. Senior management engagement (Commitment and involvement). In cases where the senior management (Principal Secretaries (PSs), Chief executive Officers (CEOs) Director Generals (DGs), University Councils and Board of Governors) took personal interest in productivity management, productivity mainstreaming was embedded in institutional planning instead of being treated as just another PC indicator.
8. Link between productivity and Citizen Expectations. There's need for MDACs to understand the link between internal metrics and external service outcomes. Citizens are only interested in the service they seek from the MDACs; the speed of delivery, the quality of the service and the cost associated with that service.
9. Public officers are open to reforms. Despite the challenges encountered in the early stages of productivity mainstreaming, officers at the operational levels are open to productivity reforms especially where there would be an improvement in efficiency, effectiveness, recognition and resource support. In enhancing adoption, individual public servants and MDACs must perceive clear, tangible benefits for themselves and their works/services and not just for the system.

5.2. Challenges Encountered

In order to sustain progress and scale impact of productivity mainstreaming in the Public Service, the following challenges need to be addressed.

1. Inadequate resource allocation. Despite the strategic importance of the initiative, it has continuously received inadequate budgetary allocation both at the implementing agency and at the MDACs. This has made it very difficult for the MDACs to initiate productivity improvement programs. NPCC has constantly been relying on the MDACs to facilitate its officers during training sessions which leads to more resistance. This is untenable and should be discouraged at all cost.
2. Inadequate integration with existing performance system. Productivity mainstreaming is seen and viewed by MDACs as an add-on rather than a core part of performance contracting and a means of improving service delivery. This creates resistance to the indicator as the MDACs view it as an additional workload.
3. Culture and mindset. There's a deeply ingrained cultural resistance to productivity measurement and accountability. Long serving public servants operate within established routines and view change with a lot

of suspicion thus many civil servants view productivity as working harder rather than working smart with the available resources.

There have been several initiatives through performance contracting that have been launched and dropped after several PC cycles. This history has created a “this too shall pass” attitude among MDACs leading to superficial compliance; no genuine commitment. MDACs do just enough to tick the box without internalizing the spirit of the indicator.

4. Resistance to transparency. In some cases, attempts to introduce productivity indicators, especially those touching on efficiency and cost reduction, were met with resistance. Some fear the exposure of inefficiencies, and/or anticipated consequences rather than viewing the indicators as improvement-oriented discourses.
5. Absence of Historical Data. Productivity management is data based. Absent or insufficient data hinders the achievement of a core part of productivity – Analysis and Planning. Many MDACs historical data exists in fragmented forms or is non-existent. This makes it impossible to establish informed targets and track meaningful yearly improvements.
6. Fragmented and Manual Data Systems. Data is often scattered across paper files, individual spreadsheets or in departmental silos. This lack of integrated digital systems necessitates laborious manual aggregation which leads to errors, increases workload and actuates resistance to productivity management.
7. Complexities and ambiguities in the public sector. In some MDACs coming up with productivity metrics that focus on efficiency and effectiveness has been a challenge. Many MDACs are geared towards the measuring of inputs and activities rather than the measurement of outputs and outcomes. Quantifying qualitative outputs in some MDACs is also a challenge that need to be addressed from an academic and technical points of view.
8. Limited capacity at the implementing agency – NPCC. NPCC is understaffed making it difficult to implement productivity mainstreaming activities both at the Public and Private Sectors. Productivity is not a concept taught at schools in Kenya and there's thus limited knowledge on it.

CHAPTER 6: RECOMMENDATIONS FOR ENTRENCHING PRODUCTIVITY MANAGEMENT IN THE PUBLIC SERVICE.

To enhance adoption and entrenchment of productivity management in the public sector, the National Productivity & Competitiveness Centre proposes the following recommendations.

1. Anchor productivity management in the country (Private & Public sectors) through a legal framework. NPCC derives its mandate from session paper No. 3 of 2013 which is legally not binding. Countries with well-established and financed National Productivity Organisations are instrumental not only enhancing the country's productivity but also promoting competitiveness across all sectors of the economy. There's therefore need to anchor productivity management in a Legal Notice/Act of Parliament. Enactment of legal instruments should also be accompanied by recruitment of more productivity experts, Capacity building of the technical staff and enhanced budgetary allocation to NPCC.
2. Permanently integrate productivity measurement indicators in the core mandate section of Performance Contracts of MDACs. This will enhance accountability, optimal utilization of resources and eventually, efficient and effective service delivery.
3. Invest in Capacity Building. A productivity management training exercise should be rolled out to all MDACs. The training should target a critical mass of employees in each MDAC. This will enhance uptake and cascading of productivity management.
4. Establish and institutionalize productivity recognition mechanisms in all MDACs. Institutions that demonstrate year-on-year productivity improvements need to be formally recognized through awards, additional resources, promotions or other initiatives. Anchoring the recognition mechanism would in turn enhance adoption and ultimately service delivery.
5. Enhance data infrastructure. There's need to invest in reliable and integrated data management systems in all MDACs. This will be achieved through digitization of key operations processes, data capture, analysis, storage and retrieval mechanisms. It is imperative to note that productivity management is data driven.
6. Expanding budgetary allocation. Implementation of Productivity Improvement Initiatives is a resource-intensive exercise. If the impact is to be felt there's need for the Government to allocate more budget to the National Productivity and Competitiveness Centre and for MDACs to prioritize productivity improvement in planning and budgeting.
7. Strengthen County-Level Engagement. County Governments are key enablers of Kenya's global competitiveness. Adoption of productivity management has been extremely slow at the Counties. There's therefore

need for more engagement between NPCC, Council of Governors, County Public Service Boards and County Assembly Public Service Boards on adoption and implementation of productivity management.

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