



Public Service Commission

ENHANCING PUBLIC SERVICE PRODUCTIVITY:

The Role of Cultural Transformation, Human Capital Development and Change Management

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Outline

1. Objective of the Presentation
2. Introduction: Why Productivity Matters
3. Resolution 8 of the 3rd NWBC
4. Culture Transformation and Productivity
5. Human Capital Development and Productivity
6. Change Management and Productivity
7. Why Productivity Gaps Persist
8. Conclusion
9. Policy Implications for Kenya

1 Objectives of the Presentation

Assess Resolution No. 8 of the 3rd NWBC

- 1 Review the status of implementation of Resolution No. 8 of the 3rd NWBC and identify challenges experienced in its execution.

Human Capital & Productivity

- 2 Examine how human capital competencies enhance institutional productivity, performance, and service delivery effectiveness.

Culture & Accountability

- 3 Assess how organizational culture influences productivity, accountability, and innovation within public institutions.

Change Management Effectiveness

- 4 Evaluate the effectiveness of change management practices in supporting the implementation of productivity-linked reforms.

Policy Interventions

- 5 Propose targeted policy actions to strengthen human capital, cultural transformation, and change management as drivers of sustainable public service productivity.

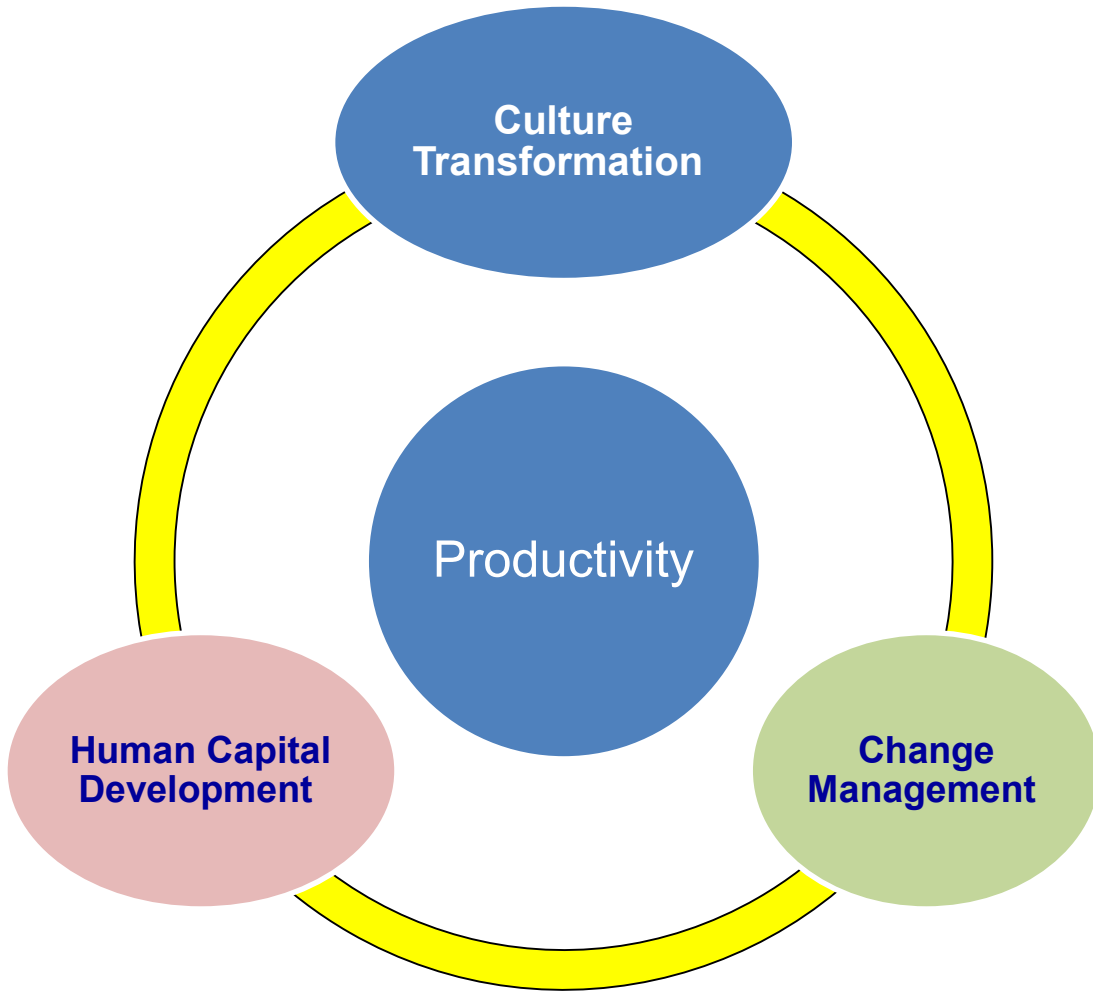
2



Why Productivity Matters

- Rising citizen expectations & fiscal constraints
- **Wage bill** consumes **40–50%** of revenue – must get more value per shilling
- **Productivity** = Better outcomes with existing resources

The 3 Interdependent Levers for Sustainable Productivity



- **Culture Transformation** – Shift from rigid bureaucracy to innovation, accountability, and citizen-centric values.
- **Human Capital Development** – Invest in competencies, digital literacy, leadership, and motivation as strategic assets.
- **Change Management** – Structured engagement, communication, and leadership to reduce resistance and ensure reform sustainability.

***The imperative:** Integrate all three – isolated reforms fail; only a comprehensive, people-centered transformation delivers lasting productivity gains.

Reforms Alone Are Not Enough

The Global Pressure

Rising citizen expectations, tightening fiscal constraints, and accelerating digital disruption demand far more than structural fixes. Surface-level reforms cannot keep pace with the depth of change required.

Kenya's Experience

Performance contracting, digitization, and devolution have been implemented — yet productivity gaps, low staff morale, and bureaucratic inertia persist. The structures changed, but the underlying dynamics did not.

The Root Cause

A persistent neglect of the human and organizational dimensions — culture, capabilities, and change processes — has undermined the full potential of these reforms.

i Key Insight: Productivity is not just outputs — it is the effective use of resources to achieve quality outcomes and citizen trust.



3

Resolution No. 8 of the 3rd National Wage Bill conference

- The 3rd NWBC was held in May 2024
- **Resolution No. 8:** Initiate a government-wide cultural transformation to embed the national values and principles, and institute a mechanism for reward and consequence management in pursuit of a transformed public service culture.
- Timeline: **2028**

Strategic Intent of Resolution No.8: A Government-Wide Cultural Transformation

Core Pillars Called For

Integrity

Accountability

Professionalism

Ethical Conduct

Performance Excellence

Constitutional Foundation

- **Article 10:** National Values and Principles of Governance
- **Article 73:** Leadership and Integrity requirements for State officers
- **Article 232:** Values and Principles of the Public Service

Strategic Goal

A **values-driven public service** that enhances service delivery, institutional efficiency, productivity, and public trust across all levels of government.

Progress Made in Institutionalizing Values and Principles

Through the promotion of Values and Principles under Articles 10 and 232 of the Constitution, measurable progress has been recorded across public institutions in FY 2024/25.

79%

Citizen Satisfaction

Customer Satisfaction Index reached nationwide

43.5%

Overall Index Score

Values and Principles Performance Index score achieved

Multiagency Team

A multi agency team established to drive values and principles in MDAs

Integrity & Accountability Data

Automation and digitalization of Deceleration of Incomes, Assets & Liabilities (DIALS)

Partnerships

PSC has initiated partnerships with UNDP, World Bank, OECD, DEI Partners

Productivity Mainstreaming Committee

Established to coordinate cross-institutional productivity efforts

Productivity Champions Trained

In collaboration with NPCC across key institutions

Citizen Service Charters

Standardized charters issued to improve service clarity

Curriculum Integration

National values embedded in education and training curricula



Citizen-Centered Service Delivery

Huduma Centre network and the e-Citizen digital services portal -
One of the most visible markers of progress in Kenya's Public Service

60K+

Citizens Served Daily

Huduma Centres handle over 60,000
citizen interactions every single day
across the country

80.8%

Huduma Satisfaction Rate

Customer satisfaction at Huduma
Centres, reflecting improved frontline
service quality

20,000+

e-Citizen Services

Digital services available on the e-
Citizen platform, up from just 5,000 —
a fourfold increase

4

Culture Transformation and Productivity



What Is Organizational Culture?

- Culture is the collective fabric of an organization — the **shared values, beliefs, norms, behaviors, and ways of working** that define how things are done.
- It operates largely below the surface but shapes every interaction and decision.

Culture Determines Everything That Matters

→ How Officers Treat Citizens

Empathy, responsiveness, and service orientation are cultural behaviors — not just policy requirements

→ How Decisions Are Made

Whether decisions are evidence-based, participatory, or driven by hierarchy reflects cultural norms

→ How Accountability Is Exercised

A culture of ownership and consequence is the backbone of high-performing institutions

The Link Between Culture and Productivity

What does the evidence say?



Higher Employee Engagement

Positive cultures increase staff commitment, reduce absenteeism, and improve discretionary effort across the workforce



Greater Innovation

Psychologically safe environments where failure is tolerated generate more ideas, faster problem-solving, and better services



Better Service Quality

Values-driven organizations consistently deliver more responsive, accurate, and equitable services to citizens



Stronger Accountability

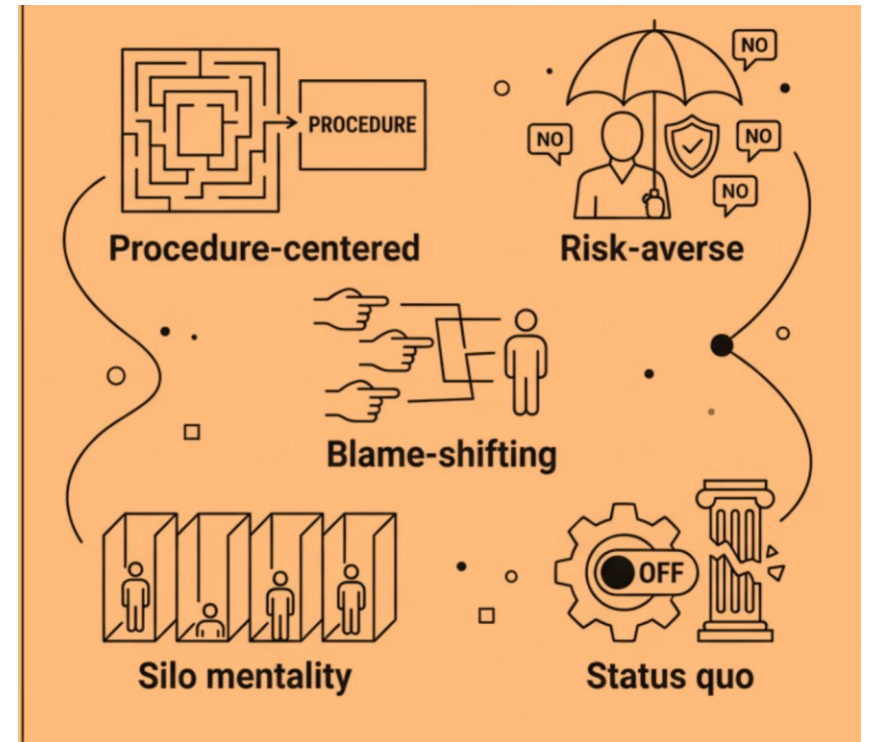
Cultures of ownership and transparency reduce corruption, increase compliance, and build public trust in institutions

Productive vs. Non-Productive Culture

PRODUCTIVE CULTURE



NON-PRODUCTIVE CULTURE



Case Studies: Culture Transformation



Singapore: PS21 Initiative

- **Public Service for the 21st Century** focused on continuous improvement, an innovation culture, and employee empowerment.
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5 Human Capital Development and Productivity

People Are the Productivity Engine

Technology, structures, and processes are enablers — but it is **people who ultimately determine whether public institutions deliver value**. Human capital is the most critical, and most under-invested, driver of public service productivity.

Competence

Right skills matched to the right roles to deliver quality outcomes

Motivation

Purpose-driven staff committed to public service excellence

Integrity

Ethical public servants who earn and maintain citizen trust

Leadership

Managers who inspire, delegate, and hold teams accountable

Digital Skills

Capacity to leverage technology for faster, better, more efficient services

 Investment in people is investment in productivity. Human capital development is not a cost — it is a strategic imperative.

Evidence on Human Capital Development | What the Literature Shows

A consistent body of evidence from public administration research confirms that **targeted training and human capital investment directly improve institutional performance** — but only when learning is anchored to actual work outcomes and performance expectations.



Training Contributes To:

- ☐ **Better Performance**
Trained staff achieve higher quality standards and meet performance targets more consistently
- ☐ **Reduced Errors**
Competency-based training lowers mistake rates and reduces costly rework in service delivery
- ☐ **Increased Innovation**
Skilled, confident employees generate more process improvements and creative solutions
- ☐ **Faster Service Delivery**
Digital and technical skills accelerate processing times and eliminate unnecessary bottlenecks

Case Studies: Human Capital Development



South Korea: Continuous Learning Public Service

South Korea mandates **100 hours of annual learning** per public servant, with a strong emphasis on digital competencies and AI-enabled training platforms.

The result: faster administrative processing, a world-leading digital government, and consistently high marks on international public service performance rankings.

6 Change Management and Productivity | Why Reforms Fail

The majority of public sector reform initiatives underperform or fail entirely — not because the reforms are poorly designed, but because **the human dynamics of change are neglected**. Change management is the discipline that bridges the gap between policy intent and implementation reality.

Ineffective Communication

When the rationale, vision, and benefits of reform are not clearly communicated, rumors and anxiety fill the vacuum, generating resistance

Absent Change Leadership

Reforms without a visible, committed champion at the leadership level lose momentum rapidly and revert to the status quo

Employee Resistance

Stakeholders who feel excluded from the change process become active resisters rather than engaged implementers

Lack of Ownership & Buy-In

Top-down mandates without participatory design fail to generate the grassroots commitment needed for sustainable change

Change Management Success Factors

Leadership Commitment

Visible, sustained commitment from senior leaders signals that the change is real, serious, and here to stay

Stakeholder Engagement

Involving staff, unions, and citizens in co-designing change builds ownership and reduces resistance at every level

Clear Communication

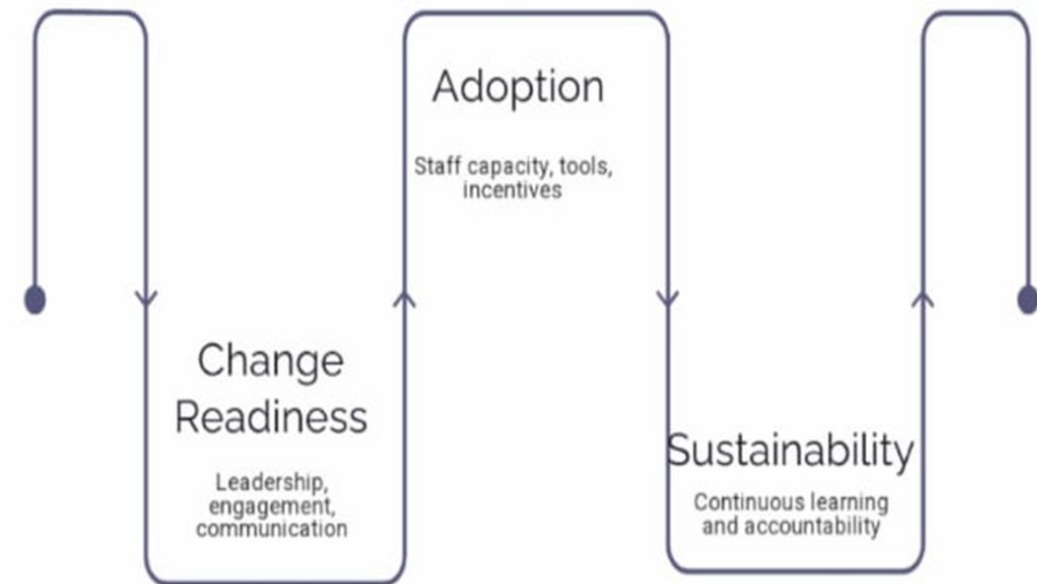
Consistent, transparent communication about the why, what, and how of change reduces anxiety and builds momentum

Capacity Building

Equipping staff with the skills and tools needed to operate in the new environment is essential for adoption

Continuous Learning

Embedding feedback loops and learning cycles ensures reforms adapt and improve over time rather than stagnating



7

Why Productivity Gaps Persist

The case of Public Service

Despite measurable progress, significant structural and behavioral barriers continue to impede the full realization of productivity gains across the public service.

Activity-Based Performance Management

Performance frameworks remain focused on activities and inputs rather than meaningful outcomes and citizen impact, diluting accountability for results.

Weak Accountability Mechanisms

Insufficient consequence management means poor performance often goes unchallenged, eroding institutional standards and staff morale.

Resistance to Oversight

Cultural resistance to external review and internal scrutiny limits the effectiveness of monitoring and evaluation systems.

Limited Reward Systems

The absence of robust reward and recognition mechanisms reduces incentives for high performance and innovation among public servants.

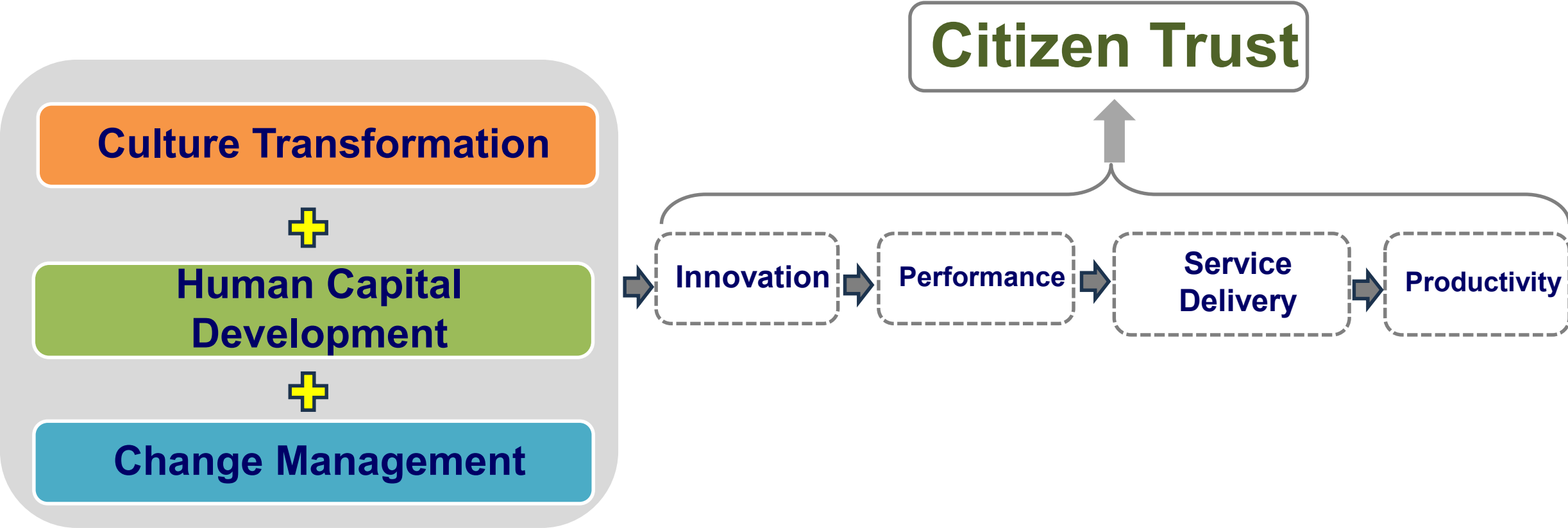
Uneven ICT Adoption

Digital transformation is progressing unevenly across institutions, leaving many operations still dependent on manual, paper-based processes.

8

Conclusion

Bringing It All Together



Conclusion



| The productivity factors

A productive public service is not built merely through structures and systems, but through values-driven cultures, empowered people, and effective management of change.

9

Policy Recommendations

Implications for Kenya

1 Values-Based Performance Management

Institutionalize performance frameworks that explicitly link outcomes to constitutional values, moving beyond activity-based metrics to genuine results accountability.

2 Reward & Consequence Systems

Strengthen recognition mechanisms for high performers while enforcing clear consequences for persistent underperformance to create genuine incentives for excellence.

3 Accelerate Digital Transformation and AI Integration

Invest in ICT infrastructure and digital literacy across all institutions, prioritizing lagging agencies to eliminate the unevenness in digital service delivery capacity.

4 Leadership & Middle Management

Invest in structured leadership development at senior and middle-management levels — the critical tier where reforms are either implemented or quietly buried.

5 Continuous Learning & Measurement

Embed continuous learning cultures in all institutions and establish robust productivity measurement systems to track progress, demonstrate impact, and guide future investment.



PUBLIC SERVICE COMMISSION

Thank You



Salaries & Remuneration
Commission
Rewarding productivity

