Strategic Change Management Process in the Public Sector: A Case Study of the Civil Service Reform Programme in Kenya, 1993-2003

By:

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DECLARATION

This Management Project is my original work and as not been presented for a degree in any other University.
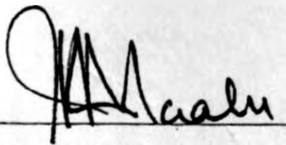
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The Management Project has been submitted for examination with my approval as University Supervisor.

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DEDICATION

To my Wife, Hilda, Children; Christine, Duke and Davis whom I am inspiring through this work.

PROLOGUE

"The idea of reinventing Government may seem audacious to those who see government as something fixed, something that does not change. But infact governments constantly change. At one time government armories manufactured weapons, and no one would have considered letting private businesses do something so important. Today, no one would think of letting government do it".

Osborne & Gaebler- 1993

ABBREVIATIONS

BRP   -   Budget Rationalisation Programme

CSRP -   Civil Service Reform Programme

DCSRC-   District Civil Service Reform Committee

DPM   -   Directorate of Personnel Management

GOK   -   Government of Kenya

IMF   -   International Monetary Fund

IPPD -   Integrated Personnel and Payroll Database

KANU-   Kenya African National Union

MCSRC-   Ministerial Civil Service Reform Committee

MTEF -   Mid Term Expenditure Framework

NARC -   National Alliance Rainbow Coalition

NIC   -   Newly Industrialised Countries

O&M -   Operations and Maintenance

PCSRC-   Provincial Civil Service Reform Committee

PIP   -   Public Investment Programme

PIT   -   Performance Improvement Team

UK   -   United Kingdom

USA   -   United States of America

VERS -   Voluntary Early Retirement Scheme

WITs -   Work Improvement Teams

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ABSTRACT

Strategy arises out of the need for organizations to position themselves to exploit opportunities and deal with threats in the environment. Because the environment is dynamic, these opportunities and threats shift all the time. Through the process of strategic change, organizations seek to reposition themselves in order to create new competences and capacities to exploit and deal with new situations. Planning and implementation of strategic change is now a day-to-day management issue and must be managed skillfully for its benefits to be realized.

The public sector has not been spared by environmental changes. Political, economic, social and technological changes do impose constraints on resources and competences available to public organizations to deliver on their mandates efficiently and effectively. Changes in the structure of the economy due to globalisation require that the civil service changes to align with emerging issues. Demographic, social and cultural changes bring new demands on delivery of public services including health, education and social security. The need for efficiency, economy, environmental protection, effectiveness, evaluation, ethics and the market are major forces of change in the public sector.

In the 1980s and 1990s, the Kenyan public sector experienced several challenges including major resource constraints while the demands for its services were increasing. The civil service, which is central in policy formulation and delivery of public services had to be reformed to respond to new challenges. Reforms were launched in 1993 and have been implemented incrementally since then. The purpose of the reforms was to improve productivity and efficiency in the civil service. To improve efficiency and productivity, the civil service organisation, staffing levels, pay and benefits, financial and performance management, and personnel management and training were identified as

the components needing reform. This research aimed at establishing the reform management processes and identifying factors that influenced the performance of the reforms. The study involved collection and analysis of both primary and secondary data from various sources.

The study came up with a number of findings. The change management processes involved planning, capacity building and implementation phases. A vision was crafted. Strategies were developed. Legitimacy and political support was mobilized. Reform agents were appointed. The reform management processes used in the Civil Service Reform Programme (CSRP) indicate attempts to apply change management models proposed by various change experts. Though CSRP did not adopt and apply wholly any of the models, it nevertheless borrowed and applied the principles enshrined in most of the models. The CSRP processes compared well with those applied in the private sector change programmes.

The reform performance was negatively affected by a number of factors. Resistance (both behavioural and systemic), unsupportive cultural practices, inappropriate leadership, poor teamwork, low commitment combined to slow down the reform process. The reforms were implemented before addressing some of these issues adequately. Because of the urgency to contain the wage bill there was little time to address the unfavourable issues, some of which would have required considerable time to achieve. Secondly, because of funding constraints the reformers were reluctant to undertake the necessary measures. Legitimacy and political support was difficult to build and sustain throughout the reform period. This was even more complex given the many authorities with conflicting interests. Moreover, mobility in the civil service does not facilitate building long-term relationships on which legitimacy and political support gravitates. On the positive perspective, urgency, good planning, programme evaluations, and technical and financial support from the development partners boosted the reforms.

Despite the constraints, the CSRP Programme made considerable progress. The staffing levels in the civil service were substantially reduced. Ministries redefined their core functions and identified areas of overlaps and duplications. Recommendations were made on the non-core functions to be divested. Measures necessary to improve the working conditions were proposed. Recommendations on improving the personnel management information systems were made. Unfortunately, these recommendations have yet to be implemented. Consequently, the strategic objectives of the CSRP are yet to be fully realised. The vision of a civil service that is productive and efficient supported by a leaner and motivated staff is still a dream.

TABLE OF CONTENTS

CHAPTER ONE: INTRODUCTION

Background

Perhaps, the biggest challenge to managers today as Burnes (2000) notes is the issue of how organizations can cope with both the dynamic environment in which they operate given the constraints, challenges and threats they face. At any one point in time, some organizations are experiencing extreme turbulence whilst others appear to operate in a relatively stable environment. The period when certainties held good has been replaced with one where the pace and uncertainty of change varies from company to company, industry-to-industry and country-to-country. Whether because of economic, technological or social factors, organisations are faced with a period of rapid and unprecedented changes.

Rose and Lawton (1999) note that change has become an enduring feature of organizational life. They observe that few people if any, currently working in the public, private, or voluntary sectors can claim to have been untouched by either the pace or direction of organizational change in recent years. Johnson and Scholes (2002) agree and argue that managers whether in the private or public sector are finding it difficult to make sense of the business environment in which they operate. One of the reasons for this is the speed of change. Managers typically feel that the pace of technological change and the speed of global communication mean accelerated change now than ever before. Yet, according to Pearce and Robinson (2000), it is the crucial responsibility of managers to ensure the organizational capacity to survive within the chaotic environment; a feat to be achievement through managers adapting their organisations to the changing environment.

Johnson and Scholes (2002) note that competitive advantage gained on a particular basis is quickly eroded owing to environmental changes. Because of this, organizations must find new basis for competing as putting efforts into sustaining old advantage distracts attention from developing new

competences. Long-term advantage is sustained through a series of temporary (short-term) advantages. Organisations must keep changing to create such short-term advantages. In a study on strategic responses by East African Breweries Ltd, undertaken by Njau (2000), it came out clearly that a change in the competitive position requires organizations to create new strategies and competences

Public Sector Reforms have been going on around the world for decades now. According to Rose and Lawton (1999), changes in public service arise out of the need for efficiency, economy, environment, effectiveness, performance evaluation, ethics and market concerns. Rising and demanding population coupled with reduced resources have placed extreme pressures on public services. Flynn (1997) notes that the way in which the public sector is managed in UK has changed from the 1980's. Rising demand for and expectations of services from the general public, a government nervous of the level of public expenditure and the development of superior ways of managing in the private sector have been the drivers of change in the UK public sector.

In Kenya, public sector reforms started for more or less the same reasons as in the UK. The structural adjustment programme of 1986, sought to minimize and ultimately eliminate controls which prevented efficient allocation of resources (Sessional Paper No. 1 of 1986). The Budget Rationalisation Programme (BRP) of 1986, was to bring about changes in the composition of public expenditure in order to increase efficiency and effectiveness. The Public Investment Programme (PIP) of 1992 set to address privatization of non-strategic parastatals and other government agencies. Lastly the Civil Service Reforms of 1993 was expected to address the issue of an under-performing and a bloated Civil Service. What is central to all these reform programmes is the need to increase efficiency and productivity in the public sector.

Change management, whether in the private or public sector is a daunting and often an elusive exercise. Strebel (1995) estimates that only between 20 percent to 50 percent of the organisations that set out to make radical change report success. Osborne and Gaebler (1993) note that after 20 years of implementing environmental legislation to clean up air and water, still pollution in America was as bad as ever. After 10 years of implementing education reforms and using a budget of US$ 60 million to support the changes, test scores had not changed and dropout rates were higher than they were in 1980's. They accept that change is difficult.

Rose and Lawton (1999) advance the view that managers responsible for shaping and implementing changes to the structures, culture, or management of the organisation find that the management of change represents a particular challenge and is one which requires the individuals involved to demonstrate a high degree of skills and sensitivity in dealing with colleagues if the process is to be managed successfully.

Two approaches to successful change management have been advanced by change experts; the planned approach and the emergent approach. It has been argued that the planned approach works best in stable and predictable environment while the emergent approach work best under turbulent environments. However, it has been observed that organizations face a continuum of change circumstances ranging from stable to turbulent with varying level of turbulence in between. Such situations may not be best handled by either planned or emergent approach. There needs to be an approach that is contingent and adaptive to different circumstances (Burnes 2000).

Practitioners, academics and writers have established different models for leading change successfully. These models if properly applied, they argue, should see change through successfully. However, even with all these approaches and models to change management, change programmes still report dismal performance, not least the Kenyan experience.

Statement of Problem

In Kenya, the government started implementing the Civil Service Reform Programme (CSRP) since 1993. The reforms were aimed at increasing efficiency and productivity in the Government by aligning the civil service structures, systems and processes to the new role of the Government and in line with the rising expectations of the public. The reforms were implemented in phases. The first phase of the reforms was implemented between 1993 and 1997. The objectives of this phase were to reduce the number of civil servants, raise civil servants salaries and wages towards parity with those in the private sector and increase funds for operations and maintenance among other objectives. At the end of the phase, though the numbers of civil servants were reduced substantially, neither salaries and wages nor funding for operations and maintenance were increased as planned. The anticipated savings had not been realized. Those who were released had not been paid their benefits by the end of the phase. Efficiency and productivity in the government had not improved. The reforms were seen generally as not achieving the objectives (CSRS 1995).

The government reformulated the Civil Service Reform Programme to be implemented in the second phase. This phase focused on performance improvement through redefinition and rationalization of functions; staff and management of the wage bill; pay and benefit reforms, training and capacity assessment. The exercise involved clarification of the Ministries' mission and mandate, determination of ministerial core functions, policy priorities and strategic objectives; examination of the Ministries' structures to determine areas of overlaps and duplication, identification of functions for abolition or divesture; and determination of optimal staffing levels by cadre and work station. Ministries came up with ministerial rationalization and staff rightsizing reports which identified ministerial core functions and strategic objectives. Non-core functions for divesture were also identified. Though some of the proposed changes were implemented, the size and organisation of the civil service still needed more rationalization (DPM, 2001). The civil service structures, systems and processes implementation in the second phase did not improve efficiency and performance as

4

was expected. The third phase of the Civil Service Reform based on deepening ministerial rationalization is now underway.

It is evident that the civil service reforms have not achieved the intended objectives despite being operationalised 10 years ago. The immediate question then is, why? Two possible causes come to mind; the change processes applied and the influence of important change performance factors. Are the processes and models that were applied in the last two phases consistent with the vision, strategic objectives, the somewhat unique circumstances of the civil service and other models developed elsewhere? Did factors such as resistance, culture, stakeholders, teamwork, and leadership affect the reform performance given the political and bureaucratic nature of the civil service. A study reviewing the Civil Service Reform Programme over the last 10 years since its inception in 1993 would be of help in answering these questions. The effect of different policy regimes over the period on the reforms and particularly policy regimes under the Kenya African National Union (KANU) administration and the National Alliance Rainbow Coalition (NARC) administration would come out clearly.

Research Objectives

i)   Establish the nature of change management processes applied in the Civil Service Reform Programme between 1993-2003.

ii)   Identify factors that influenced the performance of the Civil Service Reform Programme between 1993-2003.

Importance of the Study

The study results will be important to the academia and practitioners both in the public and private sector. All these groups will have an insight into the Civil Service Reform Programme management processes and factors influencing its performance. The lessons learnt from the civil service reform

experience will be of academic and practical interest to the groups. The academia may use the findings for further research and to refine the reform programme management processes and models. As for the practitioners, the findings will help in identifying issues that need to be addressed in planning and implementing future civil service reforms.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter starts by demonstrating that the macro environment provides organizations with opportunities and threats and that the same environment is dynamic thus presenting different opportunities and threats at different times. The next section explores how organizations exploit existing and potential opportunities while dealing with threats through the process of strategy and strategic change. Though the public sector is somewhat unique as will be demonstrated in section four, it too does respond to the environment changes through the process of strategic management as argued in the same section. Section five discusses the evolution of the Kenyan Civil Service to show that it has been changing to respond to environmental changes. Because implementation of strategic change has been difficult to manage, various scholars, writers and practitioners have proposed change management approaches, processes and models. These are presented in section six together with some criticisms to their universal application. The last section discusses the factors that have been identified as influencing the level of success of strategic change implementation.

2.2 The Macro Environment

Pearce and Robinson (2000) identify political, economic, social, technological and ecological factors as comprising the macro environment. These macro environment (which they refer to as the remote environment) present organisations with opportunities, threats and constraints. The economic factors concern the nature and direction of the economy in which organisations operate. Social factors determine the type and level of demand for products and services. The political factors define the legal and regulatory framework within which organisations operate. Technological innovation create possibilities for new processes, products and services for organizations. Barbara (1997), agrees with this macro environment categorization and its implications to organisations' strategies and activities.

Ansoff and McDonnell (1990), state that the environment can be either relatively stable or turbulent. They categorize the environmental turbulence into five levels that are on a continuum; repetitive, expanding, changing, discontinuous and surpriseful. According to them each of these levels require different levels of strategic aggressiveness and organizational responsiveness.

Burnes (2000), notes that because of political, economic, social and technological changes, the history of organizations has been that of change and upheaval since the industrial age. Because the pace and uncertainty of such change vary from organisation to organisation, some appear to operate under relatively stable conditions while others operate under extreme turbulence. However, whichever the level of turbulence what matters is the ability of the organisation to cope with the environmental constraints, challenges and threats.

2.3   Strategy and Strategic Change

Strategy enables organizations to cope with environmental challenges. According to Johnson and Scholes (2002), strategy is the process that matches resources and activities of an organisation to the environment in which it operates. They argue that a strategic fit, which involves developing strategy by identifying opportunities in the environment and adapting resource and competencies so as to take advantage of them is essential and must be maintained at all times for organizational success. Rose and Lawton (1999) agree and add that amid such volatile environments, successful organizations are those that are constantly changing and adapting in order to maintain " a strategic fit" between the organisation's internal resources and capabilities and the threats and opportunities it faces in its external environment. Bett (1995), found out that due to the economic reforms in Kenya, firms in the dairy industry made substantial adjustments in the strategic variables which included the marketing mix components of the products, promotions, place and price. Kombo, (1997) also noted that firms in the motor vehicle industry made adjustments by introducing new technologies in

product development, different segmentation and by targeting their customers with improved customer services.

Porter (1985) introduces the concept of competitive strategy. He says that competition is at the core of the success or failure of organisations. Competition determines the appropriateness of the organisation's activities that can contribute to its performance. Competitive strategy aims at establishing a profitable and sustainable position against the forces that determine industry competition. When the environment changes, competitive strategy seeks to not only respond to the new environment, but also attempts to shape that new environment in the organization's favour.

Strategic change arises out of the need for organisations to exploit existing or emerging opportunities and deal with threats in the market. It is crucial that organisations seek to create a competitive advantage and wherever possible innovate to improve their competitive positions. This implies the readiness to change within the organisation and the ability to implement the proposed change (Thompson 1997).

Hill and Jones (2001) see strategic change as a process of moving an organisation away from its present state towards some desired future state to increase its competitive advantage. They observe that most organizations have gone through some kind of strategic change as their management have tried to strengthen their existing core competences and build ones to compete more effectively. Reengineering, restructuring and innovation have been the three kinds of strategic changes pursued in the recent times. Strategic change aims at aligning structures, systems, processes and behaviour to the new strategy.

Burnes, (2000), notes that organizational change is an ever-present feature in organizational life. The pace and magnitude of change have particularly increased significantly in the recent years. In a

survey conducted by the Institute of Management UK, in 1995, 70 percent of the respondents reported that their organisations had restructured in the previous two years. In 1997, a survey by both the Institute of Management and the Industrial Society in UK showed that there was no slackening in the pace of change.

Tushman et'el (1993) observe that organizational life consists of periods of incremental change or convergence punctuated by discontinuous changes. During incremental change, organizations either fine-tune and/or carryout incremental adjustments to environmental shifts to perform more effectively and optimize their consistencies between strategy, structure, people and processes. However, when there are discontinuous changes in the environment, then frame-breaking changes take place and they involve major changes in strategy, structures, processes and people behaviour.

2.4 The Public Sector Management

Flynn (1997) define the public sector as made up of the local governments, the civil service and other statutory agencies created by government. The public sector according to Flynn (1997), includes all those state institutions which are charged with the responsibility of policy and delivery of the goods and services that the government has committed itself to delivering. This includes in the case of the UK, all government departments and executive agencies. In Kenya, the civil service, Local Authorities, Teachers Service Commission, and statutory organizations constitute the public sector (Civil Service Reform Secretariat, 1995).

There are some justifications why public sector organizations should be used to finance and supply certain goods and services. According to Moore (1998), there are certain goods and services that the market, if left alone cannot supply in required quantities. The second justification relates to the issue of justice or fairness in the provision of the goods and services. Rose and Lawton (1999) amplify the issue by saying that the government is best placed to supply the following categories of goods and services; public goods and services with externalities, (i.e. benefits accrue to unintended persons);

goods and services that experience increasing economies of scale and merit goods (those that benefit the society as a whole but if left to individuals may be underconsumed).

There does exist an argument as to whether the public sector is distinct or unique in its management practices from those practised in the private sector. One School of thought argues that there is a difference. Firstly, they argue, public services have distinctive purposes, conditions and tasks different from those in private sector. Second, they point out that in the private sector equity is determined by the market, while in the public sector need is the issue. Third, decisions facing public sector management are different from those in the private sector. Fourth, public service organisations have complex, diverse and often competing objectives unlike in the private sector. Those who say that there is no major distinctiveness, point out that the scientific management models developed by Taylor and Weber apply equally well in both private and public sector organizations (Rose and Lawton 1999). In any case, they add, current trends show that the public sector organizations are being influenced heavily by the private sector management practices. The public sector is becoming entrepreneurial; adapting market oriented and competitive practices among other private sector practices (Osborne & Gaebler 1992).

Moore (1998) sees the role of public managers as that of strategic management. Instead of simply devising the means for achieving mandated purposes, they should become important agents in helping to discover and define what would be valuable to do. They should become important innovators in changing what public organizations do and how they do it. Rose and Lawton (1999) see public organisation as deeply involved in strategic management in; selecting their role and future direction, and matching the organisation's activities to its resource capability.

Political, economic, social and technological changes do affect public sector organisations. Political parties after elections come with new governments and policies calling for changes in public sector

structures in order to cope with new programmes. Changes in the structure of the economy because of globalisation requires changes in the public sector to address emerging issues. Demographic and social-cultural changes bring new demands on delivery of public service including health, education and social security. Technological changes require the public sector to reorient its staff to cope with new demands. The need for efficiency, economy, environmental protection, effectiveness, evaluation, ethics and the market are the major drivers of change in the public sector.

Flynn (1997) notes that the way the public sector was managed in the UK changed because of rising demand for and expectations of services. Such changes included a move from a concentration on inputs and budgets to a focus on output; from bureaucratic procedures to proactive management; from control to empowerment; from monopoly to competition; from standard services to individual, customized services, or from orientation towards the organization to orientation towards the user.

In the USA, changes took place to establish new kinds of public institutions suited to the rapidly changing information-rich, knowledge-intensive society and economies of the 1990's and beyond. Those government structures established in the industrial age were simply bureaucratic occupied with rules and regulations and their hierarchical chains of command which did respond effectively to the changing environment (Osborne and Gaebler 1993),

The Civil Service Reform Programme (CSRP) which is the subject of this paper, was an initiative of the Kenyan government whose mandate was to examine various areas and aspects of the civil service for the express purpose of improving efficiency and productivity of the service. More specifically, the CSRP sought to reduce government budget deficit by cutting down its labour force; improving civil service operational efficiency through rationalization of structures and functions; strengthening capacity ; improving management information system; and improving operational and maintenance facilities (CSRP, 1996).

The Kenyan Civil Service; Historical Perspective

The civil service that Kenyan inherited from the colonial regime in 1963 was relatively small and had the limited objective of maintaining law and order. At independence, new demands emerged on the civil service to perform social and economic roles for the indigenous people. These new demands resulted in expansion of the scope of Government services and operations, hence the need to increase the number and quality of civil servants. Some of the other factors that contributed to the accelerated growth of the service include; the social responsibility to provide jobs by the government, the tripartite agreement of 1969 and 1979, absorption of workers retained by the donor-funded projects and the government obligations to absorb all its trainees. Consequently, the number of civil servants which at independence (excluding teachers) stood at 60,000 grew by about 5.5 percent annually between 1963 and 1991, reaching 272,000 employees in July 1991. It was the desire of the Government to maintain a rational population to employee ratio that reflected the needs of Kenyans, the provision of efficient services and resource constraint (CSRP progress Report, May 1996).

Change Management Processes and Models

According to Holland Davies, change management is the use of systematic methods to ensure that a planned organizational change can be guided in the planned direction, conducted in a cost effective and efficient manner and completed within the targeted time frame and with the desired results. Todd A, sees change management as a structured and systematic approach to achieving a sustainable change in human behaviour within an organisation. Change management involves moving employees to new behaviour while retaining key competitive advantage particularly competence and customer satisfaction.

Experts have proposed various approaches to change management. Predominant among these are the planned and the Emergent approach. The planned approach which has been popular till the 1980's view organizational change as a process of moving an organisation from one fixed state to another through a series of pre-planned steps. The three-step model by Lewin Kurts proposes that permanent change in behaviour and system within an organisation involves unfreezing previous behaviour, changing and freezing the new patterns. Central to the planned change is the stress placed on the collaborative nature of the change effort; the organisation, managers, recipient of change and consultants jointly diagnose problems and plan and design the implementation of the specific change.

The emergent approach views change as a continuous open-ended and unpredictable process of aligning and realigning an organisation to its changing environment. The approach recognizes the importance of the organisation to adapt its internal practices to the changing external conditions making it suitable to turbulent environments. A major development in the emergent approach is its emphasis on a bottom-up approach to change. This is because the pace of organizational change is so rapid and complex that it is impossible for a small number of senior managers to effectively identify, plan and implement necessary organizational responses.

Change experts propose that a successful change process involve three stages; Preparing for the change, Beginning the change and Cementing the change. At the preparation phase, the need for change is established and what is to change is identified. At the beginning phase, the strategies for change and change levers are determined. At the cementing phase, attempts are made to ensure that all are involved in the change.

Though the proponents of these approaches and processes claim their universal applicability, Burnes (2000) differs. He argues that such approaches are developed in particular circumstances at particular times and often with particular organizations in mind. It follows then that they may not

apply where the circumstances may be different. He advises that organisations and managers would understand the approaches on offer, identify their own circumstances and needs and then choose the approach they find suitable. Aosa (1996) says that there is need to sychronise the management and implementation of change with the context within which such a change is being carried out. This is especially true with the African context where management has been shown to be different.

Organisations can and do experience severe problems in managing change effectively. It is evident that to manage change successfully, even on a small scale can be complex and difficult. The way change is managed and the appropriateness of the change approach and process adopted have major implications on the way people experience the change and their perception of the outcome. Indeed the Institute of Management in UK, 1997 survey of managers concluded that the restructuring that had taken place in UK businesses in that year had a massive negative effect on employee's loyalty, morale, motivation and perception of job security (Burnes 2000).

Kotter (1996), summarized his experience of more than 100 companies trying to make fundamental change in order to cope with the environment thus; "A few of these corporate change effort have been successful. A few have been utter failures. Most fall somewhere in between, with a distinct tilt towards the lower end of the scale".

The complexity and interest in change management is best demonstrated by the number of models that have been proposed as prescriptions for successful change. Corporate change appears to have attracted the attention of most writers, practitioners and academicians including Johnson and Scholes (2002), Burnes (2000), Duck (1995), Kanter (1992), Kotter (1996), Goss et al (1995) and Quinn (1991).

Johnson & Scholes (2002) propose a model that emphasizes structures and control systems, organizational routines, power and political processes, communicating change, symbolic processes, timing, job losses and delaying and visible short-wins as the important change levers that need to be used to manage change successfully.

Kanter et el (1992), on their part give what they call the ten commandments to executing change successfully. Analysing the organization and need for change; creating a shared vision and a common direction; separating from the past; creating a sense of urgency; supporting a strong leader role; lining up political support; crafting an implementation plan; developing an enabling structure; communicating, involving people and being honest; and reinforcing and institutionalizing change are their prescriptions for successful change.

Kotter (1996), suggests eight steps shown in Figure1.0, which he says if implemented systematically, one step after another, will lead to successful change.

Figure 1.0: Kotters eight steps to leading successful change

Activity	Step
Establishing a Sense of Urgency Examining market and competitive realities Identifying and disqussing crises, potential crises, or major opportunities	1
Forming a Powerful Guiding Coalition Assembling a group with enough power to lead the change effort Enhancing the group to work together as a team	2
Creating a Vision Creating a vision to help direct the change effort Developing strategies for achieving that vision	3
Communicating the Vision Using every vehicle possible to communicate the new vision and strategies Teaching new behaviour by the example of the guiding coalition	4
Empowering Others to Act on the Vision Getting rid of obstacles to change Changing systems or structures that seriously undermine the vision Encouraging risk taking and nontraditional ideas, activities and actions	5
Planning for and Creating Short-Term Wins Planning for visible performance improvements Creating those improvements Recognizing and rewarding employees involved in the improvements	6
Consolidating Improvements and Producing Still More Change Using increased credibility to change systems, structures and policies that don't fit the vision. Hiring, promoting and developing employees who can implement the vision Reinvigorating the process with new projects, themes, and change agents	7
Institutionalizing New Approaches Articulating the connections between the new behaviours and corporate success Developing the means to ensure leadership development and success	8

Source: J. P.Kotter, Leading Change; Why Transformation Efforts Fail; March –April 1995

Rose and Lawton (1999) on the other hand have proposed a model for public sector change management. They propose a dozen action steps to managing change in the public sector; Assuring the support of stakeholders; using leadership to generate support for change; using symbols and language to stress the importance of change; building in stability to reduce uncertainty and anxiety; surfacing dissatisfaction with the present state to demonstrate the need for change; participation in change to build ownership; rewarding behaviour in support of change; making time and opportunity

to disengage from the present state; developing and communicating a clear vision of the future; using multiple and consistent leverage points; developing organizational arrangements for the transition and building in feedback mechanisms.

Factors that Influence Change Performance

Resistance , culture, stakeholder politics, teamwork and leadership have been identified as factors that can influence the outcome of any change programme.

i) **Resistance**

According to Ansoff and McDonnell (1990), resistance to change is a multi-faceted phenomenon which introduces delays, additional costs and instability into a change process. Resistance can either be behavioural or systemic: Behavioural resistance is exhibited by individuals, managers or groups. Because of parochial self-interests, misunderstanding and lack of trust, differences in assessment, or low tolerance to change individuals or groups may resist change. To overcome this problem there is need for those managing change to understand the needs of employees and also for employees to understand the change plan.

Systemic resistance originates from passive incompetence in managerial capacity to carry out the change. The capacity required to implement change is normally more than the existing capacity. Management requires to plan and develop the required capability by integrating management development into the change process and stretching the implementation period as long as possible.

Rose and Lawton (1999) note that if change involves challenging existing power arrangements, resistance to change is almost inevitable. To deal with such resistance, they propose use of some techniques which include education and communication, participation

and involvement, facilitation and support, manipulation and co-option and/or explicit and implicit coercion.

ii) **Organisational Culture**

Rowe et, al (1994) define organizational culture as the total sum of shared values, attitudes, beliefs, norms, rituals, expectations and assumptions of people in the organisation. Thompson and Strickland (1993), argue that there must be a fit between strategy, structure, systems, staff, skills, shared values, style for strategy implementation to be successful (Mckensey 7's framework). Thompson J. (1997) argues that organizational culture and values held by managers and other employees within the organisation are key influences on strategies of change and are therefore central driving considerations in strategy creation and change.

Johnson and Scholes (2002) referring to culture as routines, note that such routines which give an organisation a competitive advantage may act as bottlenecks when implementing changes. When planning change it is important to identify such routines and change them. Burnes (2000), however differs. According to him changing routines can be difficult. Instead the organisation is restructured and people placed in new roles and relationships and new culture develops.

iii) **Political Management; Mobilizing Support and Legitimacy**

Stakeholders' support is essential for a change programme. Because of many stakeholders groups with different interests and power, achieving universal support is a challenge and Politics sets in. According to Moore (1992), Strategic Management in the public sector begins by looking up towards politics for three reasons; first, it is in this realm that managers must search to discover what purposes are deemed publicly valuable, second, political institutions grant public managers resources they need to accomplish their operational

purposes and third, it is to politics and law that public managers are both theoretically and practically accountable. Public managers face decisions which are strategically important to their organisations but potentially beyond their own individual power to decide, and such require political management. Managers must negotiate with other political bodies to have their plans legitimized and carried on as policies for implementation by the Government. Hill and Jones (2001) see organizational politics as tactics that strategic managers and stakeholders engage in to obtain and use power to influence organizational goals and change strategy and structure to further their own interests. In this political view of decision making, obstacles to change are overcome and conflicts over goals are settled by compromise, bargaining and negotiation between managers and coalitions of managers and by the outright use of power. Quinn (1991) recommends broadening political support for emerging new trusts as an essential and conscious proactive step in major strategy changes. Committees, task forces or retreats are used by the change agent to marshal such support. Kanter et al (1992) argue that the first step to implementing change is coalition building which involves those whose involvement really matters. Specifically, stakeholders must support any change programme for it to see the light of the day.

Perhaps what demonstrates the stakeholder's politics and power in Kenya is the recent removal of the CEO at Kenya Commercial Bank. The CEO had been hired in 1999 to turnround the bank after 3 years of successive declining profitability following growth in non-performing loans. As reported in the Daily Nation of 21st January 2003, the CEO had to leave because of lack of confidence from the major stakeholders; the board and the employees. The paper went on to say that the immediate challenge for the incoming CEO was to mobilize the support of the board of directors to support the change initiatives.

iv)   **Teamwork**

The complexity of most of the processes which are operated in industry, commerce and service place them beyond the control of any one individual. The only way to tackle problems concerning such processes is through the use of some form of teamwork. Yet building effective teams is no easy matter. Oakland (1993) define a team as a group of people with the appropriate knowledge, skills and experience who are brought together specifically by management to tackle and solve a particular problem usually on a project basis. They are cross-functional and multi-disciplinary.

Rowe et al (1994) argue that the team approach to change implementation removes artificial organisational barriers and encourages openness. Teams share common goals and help to focus energy by emphasizing self-control on the part of the participants. Teams that are cohesive, that interact cooperatively, with members possessing compatible personality characteristics and that are operating under mild to moderate pressure appear to be most effective.

v)   **Leadership**

Johnson and Scholes (2002) contend that the management of change is often directly linked to the role of a strategic leader. Leadership is the process of influencing an organisation in its efforts towards achieving an aim or goal. A leader is not necessarily someone at the top of an organisation, but rather someone who is in a position to influence others. Normally change agents or change champions provide the leadership role. The leader's roles include creating vision, empowering people, building teamwork, and communicating the vision.

Thompson (1997) while stressing the importance of effective leadership in managing change gives the qualities of an effective leader as being visionary, skilled, competent, delegative, motivative, analytical, persistent, enduring and flexible.

The Public sector and Change Management

The public sector has not been spared by the challenges of the dynamic environment. Public organizations are challenged to justify their existence by taxpayers. They must demonstrate that they produce substantially valuable goods and services to overseers, clients and beneficiaries at low costs in terms of authority and money. They must also be legitimate and politically sustainable in order to attract both authority and resources from political authorizing environment to which they are accountable. Thirdly, they must demonstrate that they are operationally and administratively feasible; that they can accomplish their mandates. Public sector organizations are now competing with private sector organizations in providing public services. The concept of corporate strategy introduced in the private sector for analyzing opportunities and threats presented by the dynamic environment and positioning themselves through competence building to harness the opportunities and deal with threats is now commonly applied in the public sector. Public sector organizations are developing missions, visions and strategies for their operations. Strategic change management is now a day-to-day management issue in public sector organizations as they set to respond to the changing environment and compete effectively in order to remain relevant. Change management skills are now necessary and all public sector managers must posses them.

CHAPTER THREE: RESEARCH METHODOLOGY

Introduction

This chapter details the research design used to achieve the objectives of the study, which were to establish the nature of change management processes and the factors influencing the outcome of the civil service reform programme between 1993 and 2003.

Research Design

This was a case study of the civil service reform programme in Kenya. The study was intended to bring out in-depth information regarding the nature of change management processes that were applied and the factors that influenced the reform performance. The study was confined to the Civil Service Reform Secretariat which was the main reform agent that managed the reform process and the World Bank which was the main reform partner in terms of providing technical and financial support. A cross-sectional approach would not have been appropriate since the Civil Service in Kenya is unique and distinct and it could not have been appropriate to compare it with private sector organizations.

Data Collection

Both primary and secondary data was collected and used for the study. A questionnaire (Appendix IV) was administered on eight senior staff officers at the Civil Service Reform Secretariat and the Civil Service Reform Programme Desk Officer at the World Bank. The questionnaires were dropped to all respondents at which time the purpose of the study was explained. All the respondents completed the questionnaires. A focused group discussion was organized with five of the respondents at the Secretariat. During this session both structured and unstructured interviews were held. Secondary data was obtained from a number of documents. The Kenya Civil Service Reform Programme and Action Plan, 1992-1997 of May 1992 was reviewed. This document was prepared

23

by the Civil Service Reform Task Force, a body responsible for initial planning of the reforms. Other documents reviewed were the Civil Service Reform Medium Term Strategy, 1998-2001, of April 1998, the Strategy for Performance Improvement in the Public Service of July 2001, and the Civil Service Reform Retrenchment Plan 2000-2002, of June 2000; all progress review and planning reports by the Civil Service Reform Secretariat.

Data Analysis

Data from completed questionnaires, interviews and secondary sources was summarized according to the study themes of; (i) forces necessitating the reforms, (ii) the reform approach, (iii) the reform content, (iv) the change management processes, and (v) the factors influencing the reform outcome. The summarized data was then analysed according to the study variables under each theme. For instance, under the forces necessitating the reforms, the theme was to identify both external and internal variables that caused the change. This was done for each of the other four themes and the findings were established. The findings were then evaluated to determine areas of consensus or conflict. In those areas where there was conflict, further clarifications were sought with the respondents. The findings emerging from the analysis were then used to compile this report. The content analysis technique as described was used in several case studies of this nature; Bett (1995), Njau (2000), Thiga (1999) and Kirui (2001) used these techniques in their MBA projects.

CHAPTER FOUR: FINDINGS AND DISCUSSIONS

1   Introduction

This chapter discusses the findings of the study based on the analysis and interpretation of both primary and secondary data collected from various sources. The findings focus on the areas identified for the study which are; the forces of the reforms, the reform strategic objectives, approaches to the reforms, the planning and implementation processes and the factors that influenced the reform performance.

.2   Forces Necessitating the Reforms

The Civil Service reforms were as a result of both external and internal factors. Externally, certain social, economic and political changes exerted pressure on the civil service to change and respond appropriately in order to continue facilitating social and economic growth. Internally, the civil service which plays a critical role in the social and economic development in Kenya, as well as in maintaining and strengthening the existing public service could not respond to the external challenges because of bloated structures, a high wage bill, poor pay and benefits, poor personnel, financial and performance management practices and a poor work ethic.

i)   External forces

According to the Civil Service Reform Programme and Action Plan 1992-1997 of May 1992 by the Directorate of Personnel Management (DPM), Kenya's population at independence in 1963 was 8 million people. At a growth rate averaging 3.0 percent over the years, the population had grown to 23.2 million in 1989 and was estimated at 27.5 million in 1995 and projected at 31.9 million in 2001. Unfortunately, during the same period, this population growth rate was not matched by a corresponding economic growth rate and this caused poverty and unemployment in the country with a large population unable to access education and health services. In this context, the Government had a major task to enable the population to access the services that would enable Kenyans to make a

contribution to economic and social development. This required that the Government increase its budget for provision of education, health and other social services to the public.

The same report, DPM, May 1992, attributed poor performance of the economy as another reason for reforms. The Kenyan economy did not perform well in the later years of 1980's and in the early 1990s growing at an average of 2 percent; well below the population growth of around 3 percent. Coupled with this the budget deficit in the country in the later part of the 1980s and early 1990s was high reaching nearly 7 percent of the Gross Domestic Product in 1990/91. One major cause of this deficit was the high public expenditure, specifically recurrent expenditure. A key reason for the increase in recurrent expenditure was the growth in personnel emoluments for the civil service and teachers which alone accounted for 37.3 percent of the recurrent expenditure in 1990/91 financial year.

Interviews with the World Bank CSRP Desk Officer revealed that Kenya's Civil Service had the highest workforce, wage bill as a percentage of GDP and wage bill as a percent of recurrent expenditure compared with selected Sub-Sahara African countries as depicted in Tables 1 and 2. There was need to reform the service to make it comparable to those obtaining in the region.

Table 1.0: Employment in Selected Sub-Saharan countries' Public Service 1996

Country	Total workforce	% of public service workforce to population
Kenya	532,000	2.0
Tanzania	286,000	0.9
Uganda	170,000	1.0
Ghana	330,000	1.8
Zambia	130,000	1.3
Guinea Bissau	18,500	1.7

Source: IMF Working Paper; A Decade of Civil Service Reform in Sub-saharan Africa, Dec 1997

Table 2.0: Wage bill as a percentage of GDP and Recurrent Expenditure 1996 in selected Sub-Saharan countries

Country	Wage bill as % of GDP	Wage bill % of Recurrent expenditure	Wage bill per employee as a multiple of GDP per capita
Kenya	9.4	37.3	6.2
Tanzania	5.2	32.9	4.8
Uganda	3.0	29.7	3.3
Ghana	5.6	32.8	3.1
Zambia	4.6	30.2	3.3
Guinea Bissau	2.4	15.2	1.7

Source: IMF Working Paper; Decade of Civil Service Reform in Sub-Saharan Africa, December 1997

According to those interviewed at the civil service reform secretariat, productivity and quality of service in the public sector had deteriorated to unacceptable standards and had become a major impediment to the socio-economic development in the country. Sustained economic growth and welfare provision demand that the public sector efficiently and effectively provides an enabling policy environment, infrastructure and services. Government inability to maintain and expand essential economic infrastructure and basic social services while absorbing a high proportion of the nation's resources had been a major cause of economic stagnation and rising poverty. Public awareness of their rights and agitation for them brought the civil service performance into sharp focus and the whole issue was taking a political dimension.

The external forces that necessitated the civil service reforms were not peculiar to Kenya. The public sector exists to provide public value to the taxpayers and citizens in general. This value is in terms of providing goods and services that meet public needs. These goods and services must be provided competitively both in quality and cost. However, demographic, cultural, economic and technological changes can impact on the ability of public organizations to deliver adequate and quality goods and services on a sustained basis. Growth in population increases the demand for education, health and other social services that are needed. When this happens, more resources are required. When the economy performs poorly the resources available to public sector organizations

funded through government budgets diminishes and impacts on the quantity and quality of goods and services. When this happens, as it did in Kenya, there is need to change strategies and build new competence and capacities to meet the emerging demands.

ii)   **Internal forces**

Because of the external forces outlined above the role of the Government was redefined to respond to the socio-economic challenges according to those interviewed. Unlike in the past where the Government was involved in socio-economic activities, including delivery of products and services, it became clearer that with the economic and social challenges of the 1980s and 1990s, the government did not have the capability and capacity to deliver such services efficiently and effectively. Consequently, the new role of the Government would be limited to providing an enabling environment for the private sector to engage in delivery of products and services more efficiently and effectively. The Government was to concentrate on policy and regulatory activities that facilitate economic activities led by the private sector.

The civil service was challenged to respond to the new role of Government. Unfortunately, according to DPM (1992), the civil service could not respond immediately and appropriately because of a number of reasons. Firstly, the civil service had become cumbersome, over complex, duplicative and had ineffective structures that could not respond to the challenges of the public sector. There was lack of coordination both at the national, provincial and district levels leading to wasteful application of resources and delays in delivery of services. The central government ministries and departments had increased from 29 in 1971 to 35 in 1992. The number of functional departments and divisions had risen from 132 and 442 respectively to 148 and 550 in 1992 respectively. In addition to this, the government operated through 8 provinces and 47 districts. This created a fragmented and multi-layered structure. Secondly, pay and benefits in the civil service were not at the level that would attract and retain qualified personnel in the service. The basic salary

28

was far less than that obtaining in the parastatals and private sector. The medical scheme for civil service employees was unattractive while housing and house allowances would not secure comfortable accommodation for those in the service. The consequence of this was that the civil service was unable to attract and retain professional, technical and skilled personnel it badly needed to implement its programmes. Thirdly, the staffing levels in the civil service had grown from 60,300 at independence to 272,000 in 1991, occasioning a huge wage bill that could not be sustained. This growth which averaged 6.8 percent compared unfavourably with the average population growth rate of 3.7 percent and GDP growth rate of 4.5 percent during the same period. What was even more worrying was that most of the overstaffing was in the lower job group A-G while those in the professional, technical and specialized cadres were heavily understaffed. Moreover, this rise in staffing while increasing the wage bill to unsustainable levels was not accompanied by corresponding increase in funding for operation and maintenance. Consequently, most of the staff were underutilized while drawing a regular salary. Fourthly, the personnel management and training practices did not support a changing environment. This is because the personnel function was fragmented and weak, and was carried out by five different agencies. Consequently the major personnel functions of planning, recruiting and selection, placement, performance appraisal, development and training, information system were performed by different agencies; often in an uncoordinated manner. The result was employment which did not take into account the workload, promotions were not linked to performance, training was not carried out and disciplinary procedures had collapsed. Lastly, the financial management system were not efficient in allocating resources to priority areas. The personnel emoluments consumed 70 percent of the recurrent expenditure leaving a mere 30 percent for operations and maintenance.

The redefinition of the role of government in Kenya was not an isolated case. It indeed coincided with similar public sector reforms in other parts of the world. Because of budgetary constraints, taxpayers' reluctance to absorb more tax burdens, deteriorating quality of services provided by

public organizations and a rising demand and expectations for services, governments in the USA, Britain, New Zealand and a host of other countries redefined their roles in the 1980s and 1990s. In the USA, the concept of an entrepreneurial government was introduced. Public organizations were required to compete with the private sector enterprises in provision of services including education, health, social security and others hitherto considered a monopoly of public sector organizations. Competing effectively with the private sector organizations , was a tall order for the bureaucratic, often bloated public sector organizations. They had to change immediately by creating structures, processes, systems and behaviour that encouraged efficiency and effectiveness. Market oriented approaches to doing business were a must as was the need to be mission-driven. They had to strive to understand customer needs and focus on them while ensuring that they were enterprising. They had to adopt results-oriented performance management techniques. They had to pay attention to competition and ensure that their goods and services were competitive while ensuring that they decentralized services to where they were needed. All these boiled down to building a leaner and motivated civil service as was the case in Kenya.

Strategic Objective of the CSRP

As outlined in the Civil Service Reform Programme Action Plan 1992-1999 of May 1992 and the Civil Service Medium Strategy of 1998-2001 of April 1998 (DPM) and confirmed by the reform agents, the civil service reform programme sought to make the service responsive to the changing environment and improve productivity and efficiency through:

i)   Reducing government budget deficit by cutting down its labour force

ii)   Rationalising ministerial structures and functions

iii)   Strengthening capacity

iv)   Improving management information systems, and

v)   Improving operations and maintenance facilities

The Civil Service Reform Programme Components

According to those interviewed at the civil service reform secretariat, a Civil Service Reform Task Force was formed to identify the problems and issues affecting public service delivery among other terms of reference. The Task Force comprised of senior staff from all ministries and was headed by the Permanent Secretary, DPM. The areas that required to be reformed were identified and the objectives of the reforms were outlined. A report, the Kenya Civil Service Reform Programme and Action Plan, 1992-1997 of May 2002 was produced and it detailed the problems, issues, objectives and targets of the reforms, an extract of which is shown in Appendix I. The broad areas of the civil service organisation, staffing levels, pay and benefits, financial management and performance management, personnel management and training, were identified as accounting for the unresponsiveness of the civil service to a changing environment and were as such targeted for reforms.

The civil service organisation reforms aimed at creating a leaner and more efficient public sector that concentrated in performing a limited number of core functions and activities. The public sector was to concentrate in activities that create an enabling environment for the private sector to play a larger role in the socio-economic development process. The public sector would leave production and provision of services activities to the private sector. Ministries and departments were therefore required to review their roles and come up with core functions, policy priorities and strategic objectives which conformed to the new role of government. All non-core functions were to be identified and either be commercialized, privatized or contracted out. Secondly, it had been realized that there were duplications and overlaps of functions between and within Ministries. All Ministries were called upon to identify those areas and merge them. New structures giving authority, responsibility and accountability to appropriate levels were to be introduced. Greater authority on day-to-day decision-making at the lower level of management was to be encouraged.

There was need to achieve staffing levels that matched each Ministry/department's staffing requirements while at the same time keeping the wage bill within the budgetary constraints. Staffing reforms to reduce the number of civil servants while at the same time introducing a system that ensured future controls of the staffing levels in the civil service were to be introduced. Staff reduction measures including a Voluntary Early Retirement Scheme (VERS), abolition and freezing of vacant posts and development of staffing norms. The Ministries were to carry out a thorough payroll cleansing exercise wherein ghost workers (i.e. workers who exist only in the payroll and not on the ground) in the government payroll were to be identified and removed from the payroll. Through the ministerial rationalization exercise, Ministries were required to redefine their core functions and an appropriate organisation structure. A staff rightsizing exercise based on the new structure was to be carried out to identify staff excesses and staff shortages within the Ministries. This was then to be followed by staff retrenchment, where those who were found to be excess and could not be redeployed elsewhere in the service were to be retrenched. At the same time there was need to promote the concept of constant change in the service, so that staffing levels changed as Ministerial objectives and structures changed. To ensure that the civil service does not carry excess or allow shortages in staff, complement control measures were to be introduced.

Pay and benefit reforms that aimed at attracting and retaining qualified staff were to be introduced. A medium term pay policy seeking to enhance the pay of all civil servants, relate pay to performance, review the composition of pay and develop a housing policy was to be introduced. A permanent civil service pay review board in DPM was to be introduced to review the terms and conditions of service for the civil service on a continuous basis. Pension reforms and a medical benefit reform to introduce attractive and sustainable schemes were to be introduced. All these policy changes were to be introduced within the overall budget constraint and the extent to which pay was a constraint in filling existing vacancies.

The next group of reforms are those aimed at promoting and enhancing efficiency, effectiveness, economy and accountability in mobilization and allocation of budgetary resources across government Ministries/departments. The financial management reforms focused on (i) significantly increasing the share of operations and maintenance budget, (ii) achieving a fiscal deficit target not greater than 2 percent in GDP and (iii) greatly strengthening public sector investment programming. To achieve this, strict control of expenditure, cash flow, project design, capital investment and user fee management measures were to be introduced. Monitoring of expenditure was to be improved through introduction of effective computerization of the accounting systems.

Performance management required to be improved in order to enhance the efficiency and effectiveness in the civil service. A result-oriented management approach was to be introduced to improve efficiency and effectiveness. A number of management techniques were to be introduced to provide the tools to implement a result-oriented management approach appropriate to the public service. The tools included service delivery benchmarks and standards, service charters, annual work programmes and performance contracts.

The other reform that were to be introduced were in the personnel management and training function. The personnel function was to be reorganized so that there was clear delineation of responsibilities among the agencies involved. The government had to adopt a more realistic approach for manpower planning and forecasting. Recruitment had to be controlled. The schemes of service which are important vehicles for implementing personnel policies were to be revised to meet each cadre's requirements. Training in civil service which was said to be fragmented and unfocused had to be streamlined.

In summary, the civil service reform programme engendered restructuring, reengineering, downsizing and outsourcing reforms. The critical and core functions were to be identified and used

as the building blocks for rationalizing ministries and direction of resources. Business reengineering was to be achieved through identifying and eliminating fragmentation, duplication and overlaps of functions within and between ministries. Ministries and departments were to be downsized by removing unnecessary structures, determining the optimal staffing levels and retrenching excess staff. All functions that were identified as non-core were to be outsourced through commercialization, contracting-out or privatizing.

The planned reform activities if successfully implemented would certainly achieve the strategic objectives of the reform programme. The Voluntary Early Retirement Scheme, Payroll cleansings, development of staffing norms and staff retrenchment would yield staff reductions and consequently contain the government budget deficit which was the first strategic objective. Redefinition of ministerial core functions, policy priorities, organizational structures would lead to identification of non-core, duplicated and overlapping functions. These would then be divested from and or merged leading to a rationalized and leaner civil service thus achieving strategic objective two. Capacity strengthening, strategic objective three, was to be achieved by implementing pay and benefit, personnel and training, financial and performance management reform activities. Improved pay and benefits would attract and retain professional staff. Improved personnel and training, and performance management practices would generally lead to a motivated and skilled staff for better performance. The introduction of the computerized integrated personnel and payroll database (IPPD) aimed at providing timely and accurate information for decision-making thereby achieving strategic objective four. Financial management reforms aimed at redirecting resources towards priority areas and improving the operations and maintenance budget. Secondly, it was planned that the savings arising from staff reductions would be utilized to improve the working conditions in the service by providing a better budget for working tools and facilities.

Planning for the Reforms

Pre-Reform Planning

According to those interviewed, the Civil Service Reform Task Force that was constituted to identify problems, issues and areas of reform was also expected to plan for the reform activities and create the necessary institutional framework to manage them. In the Reform Programme and Action Plan document, 1992-1997, of May 1992, the Task Force outlined the strategic vision, implementation principles (strategies), the management arrangements, a work programme and timetable, and resource requirements of the reforms.

Perhaps from past experience and knowledge, the task force came up with what it called implementation principles to guide the reforms. Firstly, it was recognized that the civil service reform programme had to establish legitimacy by securing approval from the cabinet. A paper detailing the programme's objectives and strategies was to be prepared and presented to the cabinet for approval. Secondly, it was noted that operational decision-making and authority had to be delegated to the right levels where reforms were taking place. It was therefore agreed that the Steering Group, the DPM reform team and the pilot project management teams, the main reform agents, had to have considerable decision-making powers and authority. Thirdly, the need to establish reform champion teams to guide the reform was identified. DPM was to act as the central coordinator and overall champion for the reform process while pilot project management teams would be created at ministerial, provincial and district levels. Fourthly, it was recognized that experimenting with radical options was a necessary ingredient for the reform process. The pilot project management teams operating at all levels had to be given adequate autonomy to identify and experiment with radical options provided they were within the overall framework of the reforms. Bureaucracy through central control of the pilot project management teams was therefore to be reduced. Fifthly, the need to use external models and assistance while identifying and recognizing Kenyan best practice was also important. Lastly, it was recognized that the reforms required that the

35

government commit substantial resources in terms of skilled personnel, operations and maintenance resources and external assistance in order to move the reforms forward successfully.

The reform organisation and management arrangements (see Figure 2.0) were to comprise the Cabinet, the Steering Group, the DPM reform team and the pilot project management teams. The cabinet was the highest in the hierarchy. Because of the political nature of the civil service reforms and the need for legitimacy, it was appropriate that the cabinet, which is the highest government policy decision- making body be responsible for all major reform policy decisions. The Steering Group was to be the highest operational body with the overall responsibility for operationalising the reforms. It was to be chaired by the head of the public service and included seven members among them private sector representatives. Its responsibilities included; overriding authority, setting overall direction and making most important decisions, refer major policy decision to the cabinet, review DPM workplans and progress and reporting to the cabinet. The DPM reform team would be comprised of members drawn from the various specialized areas of the DPM Divisions; personnel administration, management consultancy and manpower development. The idea was to form a broad based reform team with adequate knowledge and experience to champion the reforms. The responsibility of the team was to; monitor and coordinate all the reforms, control cost-containment initiatives across ministries and agencies centrally, supervision and second staff to the pilot project management teams and set targets and monitor progress. The pilot project management teams were designed to operate at four levels; Ministries/departments, provinces, districts and executive agencies and supported by adequate budgets, logistical and technical assistance. During phase I the pilots would be given special freedom to design many of their own initiatives with DPM monitoring, coordinating and assisting rather than instructing. The precise degree of independence would vary according to the pilot selected, but could include freedom to alter pay, structures or introduce performance related bonuses, downsize significantly and use savings for additional O&M expenditures or introduce new performance appraisals and objective setting techniques. The

emphasis would be on achieving visible improvements in service delivery in exchange for increased autonomy. During phase II, successful initiatives would be diffused more widely through the services. The specific responsibility of the pilot project management teams included; Act as champions for reforms, providing a model, manage agreed reform initiatives, report impact of central reforms and be proactive in suggesting further changes.

Figure 2.0: CSRP Planned Institutional Framework
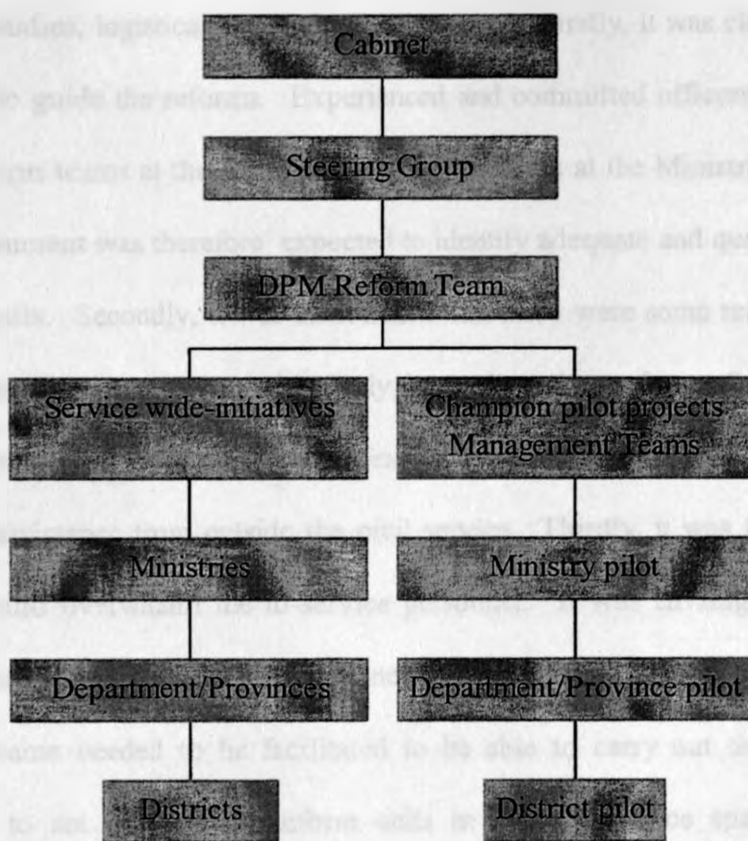
Source: DPM, Civil Service Reform Programme and Action Plan, 1992-1997, May 1992

A detailed workplan and timetable was prepared as part of the planning for the reforms. Firstly, it was recognized that before launching the actual reforms, capacity building to engender the reforms was required. The activities and tasks required to build capacity were therefore identified. Secondly, the activities and tasks to be carried out in each of the reform areas of civil service organisation, staffing levels, pay and benefits, personnel management and training, and financial and performance

management were identified. Thirdly, at the planning stage responsibilities for each of the activities identified were assigned. Fourthly, the time frame to start and end each activity was determined. The output of this was a detailed workplan covering the period 1992-1997 (see Appendix II) during which time it was anticipated that the reform process would be finalized.

The last stage of the pre-reform planning process was a resource requirements identification. It was recognized that reforms would involve several inputs. This would include personnel, technical assistance, reform studies, logistical support and investment. Firstly, it was clear that a strong team would be required to guide the reforms. Experienced and committed officers were therefore to be deployed in the reform teams at the DPM and in the pilot units at the Ministries, provinces and the districts. The government was therefore expected to identify adequate and qualified personnel to be assigned to those units. Secondly, it was established that there were some reform initiatives where there was limited in-house capacity to adequately move the reforms forward. Manpower planning, payroll development, performance contracts for executive agencies were some of the reforms which required technical assistance from outside the civil service. Thirdly, it was fairly obvious that the routine reforms would overwhelm the in-service personnel. It was envisaged that where studies would be undertaken, the reform team would need to hire consultants to carry out such studies. Fourthly, reform teams needed to be facilitated to be able to carry out their duties effectively. Logistical support to set up the new reform units in terms of office space, computers, office equipment, and transport would be required. Finally, two major investments were identified and planned; payroll and management information system and financing a safety net. Computer hardware, software and a network system to interface ministries and departments in Nairobi and to link with provinces and districts were required. It was also envisaged that the reforms would involve retirement and retrenchment of staff as part of the rightsizing strategy. A safety net would therefore be required to fund pension payments, golden handshake and other severance benefits.

Planning during the reforms

The Civil Service Reform Medium Term Strategy Document of 1998-2001 of April 1998 and the Strategy for Performance Improvement in the Public Service Document of July 2001 were produced to guide the 2nd and 3rd phases of the reforms respectively. Essentially, this involved planning for the 2nd and 3rd phase taking into account the changes in national development policy and strategy regimes and the lessons learnt from the actual reform implementation.

According to those interviewed, there were three major policy regime changes that influenced the reform. Firstly, in 1997 the Government introduced the Mid-Term Expenditure Framework (MTEF) as an effective approach to improve resource planning, allocation and redirection towards policy priorities. Before the introduction of MTEF resource allocation was based on previous budget line items which did not necessarily reflect the national development priorities. The Government introduced the MTEF approach to rectify this anomaly. Thus the MTEF approach provided a framework for Ministries/departments to allocate resources in line with Government policies and priorities. The MTEF was expected to enable Ministries/departments to assess and review the allocation of resources in light of their individual mission, strategic goals, objectives and priorities. Secondly, in the same year 1997, Sessional Paper No. 2 of 1997 on "Kenya's Long Term Strategy on Industrial Transformation to the year 2020" had been published by the Government of Kenya. This was a new national vision aiming at attaining the Newly Industrialized (NIC) status by the year 2020. This vision required that the goals and objectives of the civil service reform programme be modified to support the national industrialization strategy, hence the Medium Term Strategy Document of April 1998. In the document the role of the government was outlined. The government was expected to play a leading role in creating an enabling policy environment and act as a catalyst in the transformation process. The Sessional Paper equally highlighted the civil service contribution to the long-term strategy as being that of creating the necessary conditions for implementing the policies articulated in the paper. This required the civil service restructure itself to support the strategy.

Fortunately, it coincided with the beginning of the 2nd phase of the civil service reform focusing on performance improvement. Thirdly, at the end of the 2nd phase, the National Development Strategy on Poverty Reduction Strategy Paper of 2001 had been published by the Government. The national development strategy pursued from 2001 sought to instill rapid and sustained economic growth and reduce the high incident of poverty. This required that the civil service respond to meet the challenges of (i) the government creating a competitive market condition for private sector-led growth (ii) direct resources towards poverty alleviation, and (iii) support (i) and (ii) through effective public sector performance and delivery of services.

Lessons learnt while implementing reforms were useful inputs into subsequent reform planning processes. The lessons learnt provided information on changes that were necessary to improve the overall reform performance. At the end of phase I, an assessment was carried out and the lessons learnt were used in planning phase II. The lessons learnt according to the DPM Civil Service Reform Medium Term Strategy 1998-2001 report of April 1998 were:

i)   The programme was perceived by many senior civil servants in ministries as a centrally driven initiative by the secretariat consisting of a number of pilot reviews and projects. Consequently, the reform process and recommendations from the pilot reviews was not always taken on board by senior officers as their own recommendations. Moreover, the reform process was not seen as part of the day-to-day management task in individual Ministries. Arising from this experience, during phase II, the reform process was to be refocused so that the Secretariat worked more closely with the line Ministries and ensure that Ministries had a strong sense of ownership and responsibility for successful implementation of a coherent programme. The top and senior management in each Ministry would be responsible and accountable for securing year-on-year performance improvements in the operations of the Ministries. To do so, it was recognized that top management needed to be

motivated to willingly participate in the reform process. In this regard, the Permanent Secretary and top management were empowered to carry the Ministries' strategic and staffing reviews to come up with reform proposals.

ii) The reform initiatives were not effectively linked to the budget process led by the Ministries of Finance, and Planning and National Development. There was a clear need to integrate thinking and performance improvement in the ways in which Ministries worked and their efficiency and resourcing requirements identified in budget submission. Linkages between budgets, outputs and performance improvement at Ministry level were therefore planned. To achieve this, the civil service reform secretariat was to be staffed with budgeting and financial experts to work closely and effectively with the ministries of Finance, and Planning and National Development.

iii) The achievements in reduction of civil servants during phase I was undermined by continuing recruitment of teachers. Over 40,000 teachers were employed almost wiping out the cost savings achieved from reduction in the number of civil servants. It was therefore inappropriate to develop a civil service reform strategy that did not incorporate the issue of teachers' numbers and their deployment. Accordingly, the 2nd phase incorporated the teaching service reform.

iv) Ministries embraced what they called sectoral reform programmes at the same time the civil service reform programme was running. Since the thrust of the sectoral reform programme and the principles behind the civil service reform programme were similar, coordination of the programmes would benefit from synergies. During the next phase, the civil service reform programme would participate in interministerial fora where sectoral reform issues were discussed. In addition Ministries' reform committees were to be merged with ministerial performance improvement teams.

v) At Ministry level, the lessons of the programme pointed to the benefits of the Ministry Performance Improvement Teams whose members worked full-time on the reform project.

Full-time Performance Improvement Teams were more committed as demonstrated during the Ministerial rationalization review. The government planned to ensure that in each Ministry the Permanent Secretary is supported by a full-time but small team of officials with the ability to address challenging management issues and the potential to benefit from being part of these important teams. Ministries were required to identify three or four individuals who would make up the Performance Improvement Team. The personnel would be drawn from the Ministry and had to be individuals with the technical understanding of the Ministry's responsibility and management knowledge and understanding to be able to support senior officers in driving the reforms forward. The team would report regularly to the Permanent Secretary to ensure that he or she is able both to provide leadership to the reform process and properly account for progress in performance improvement.

vi) It was noted that the success of the reform programme heavily depended on the commitment of both the political and top authority of the Government. Leadership of the reform programme and implementation of the strategy would continue to be the responsibility of the Cabinet supported by members of the National Steering Committee, under the chairmanship of the head of public service. The National Steering Committee, Secretariat and senior officers in each Ministry had to be committed, resourceful and enthusiastic in overcoming obstacles and secure significant performance improvement through a smaller, better paid and competent civil service.

At the end of the 2nd phase, another assessment was carried out. According to the Strategy for Performance improvement in the Civil Service report of July 2001, the following lessons were learnt and used to inform planning of the 3rd phase reforms:

i) The reforms had to be built from within the bureaucracy itself through consensus, commonly held goals and a sustained commitment to change at all levels of the public service. Since the

reforms had to be accompanied by behavioural change if they were to succeed, reforms of this nature could not be imposed by dictate.

ii) Inducements to encourage good performance was to be encouraged. Promotion and recruitment had to be based on merit; objective staff appraisal system had to be created and an equitable pay policy that rewards desired behaviour had to be implemented.

iii) The Directorate of Personnel Management, Ministry of Finance and Planning had to work closely with all Ministries and other organizations to build understanding, a strong sense of ownership and responsibility for implementation. They had to work together to develop annual workplans and service delivery benchmarks, to establish year-on-year performance improvement targets for which the respective Permanent Secretaries would be held accountable.

iv) Ownership had to be nurtured at all levels of the service and more junior staff provided with opportunities to participate in the evolution and implementation of reforms.

v) Communication and consultation between senior management and operational staff would be enhanced through the establishment of Work Improvement Teams to complement normal line management.

vi) Passing day-to-day management decision-making to lower operational levels, together with appropriate accountability, to engender greater responsibility and incentives as well as a greater sense of job satisfaction was necessary.

vii) Encouraging senior management to put in place innovative management and reward schemes to motivate staff to achieve high levels of performance was required.

viii) It was necessary to involve Performance Improvement Teams to spearhead the introduction of results-oriented management in ministries with the following responsibilities:

a. Raise awareness on all matters of performance improvement

b. Work with senior management to identify and address challenging management issues.

c. Liaise with and coordinate all the Work Improvement Teams to facilitate the implementation of accepted performance improvement measures.

As discussed in chapter two of this report, planning for reforms is an important phase and determines the level of reform success. The civil service reform programme had a good attempt at this. Major reform issues that affect business and people during a reform programme were indeed identified and addressed at the planning stage. The need for reform was articulated and the strategic vision crafted and clarified. The strategies for reforms were developed. The reform objectives were to be legitimized through obtaining a Cabinet approval. Reform teams/agents were to be established at various levels right from ministries to the districts to guide the reforms. The autonomy and authority to be accorded to the reform teams were catered for. The resources to be provided to the reform teams were also addressed. The management structure for the reforms were designed. It was planned that the reform teams draw their authority from the Cabinet which is the highest policy body in the civil service. The reform implementation plan detailing all the reform activities and identifying the resource requirements was prepared. Commitment from those critical to the success of the programme was planned for. Training, a key input to a reform programme was also addressed. A number of people related issues were also addressed. The involvement of top management and other staff in line ministries was planned for. Ways to deal with the concerns of the stakeholders were planned for. The need to communicate to all stakeholders was identified and planned for.

The idea of evaluating the progress at the end of each phase was very brilliant and served a useful purpose. A reform programme that lasts for a long time with many reform components and phases requires periodic and regular evaluations for a number of reasons. Firstly, evaluations help to assess whether the programme is achieving its objectives and is therefore on course. Secondly, an evaluation helps to identify implementation problems, address them and put the programme back on course. Thirdly, the other advantage of an evaluation is to identify environmental change that may

impact on the relevance of the programme. Change in policy regimes, and the environment may render a programme irrelevant and at worst lead to its abandonment altogether . However, in most cases, such changes will require that a programme be adjusted in order to make it relevant to the needs and policy regime aspirations. Fourthly, evaluations reviews assist the reform agents to identify and use lessons learnt in improving future planning and implementation. In the course of programme implementation, lessons are learnt that can assist in improving performance of the programme and need to be identified and used. Lastly, regular evaluation help to identify successes, reward those responsible and maintain the momentum to drive the reforms forward.

However, there are some planning issues which needed more attention than they received; First, identification of stakeholders whose support was crucial to the programme was not adequate at the initial planning stage. Parliament and the Judiciary were not initially recognized and mobilized as important stakeholders. Support from the Ministry of Finance which was responsible for providing the reform funds was not adequately enlisted and this created funding problems later. Second, ownership of the reforms at Ministerial, provincial and district levels was not adequately addressed initially and was only introduced in the 2nd and 3rd phase of the programme. Ownership by those expected to implement a reform programme must be enlisted before the reform start otherwise there is resistance along the way as was the case with the civil service reforms. Third, planning for activity monitoring was not adequate. A large reform programme of this nature requires that frequent and periodic reviews be carried out rather than carrying out only end of the phase reviews. Fourth, communication between the centre, line ministries and the other stakeholders was not also addressed adequately. There needed to be a plan for communicating the progress of the reforms to the stakeholders in order to sustain their support. Fifth, the mechanism for addressing peoples concerns was also not adequately addressed and as would be seen later, this created resistance . It is important to put a mechanism in place to deal with stakeholders concerns such as the impact of reforms they are likely to experience, how they would be required to contribute to the reform processes and how

to empower them to fully participate in the programme. Sixth, the need to identify and align structures that were likely to obstruct reforms was not addressed. The bureaucratic nature of government with rules and regulations required structural changes in order to facilitate the reform process. It was important to create structures that encouraged innovation. Seventh, the reform agents required additional skills to engender the reform successfully. However, other than those in the secretariat, the other reform agents at the ministries, provinces and districts did not have adequate plans for skills development. Eighth, the idea of leadership role residing on the Cabinet was ill advised. A Cabinet is a body of many individuals likely to have divergent opinions and capabilities on reforms of this nature. It is comprised of Politicians who draw their mandate from citizens. Given that the reforms aimed to introduce retrenchment, it was unlikely that the Cabinet would support them as they affected their source of power. It was therefore unlikely that the Cabinet would provide the necessary vision, commitment and enthusiasm necessary for a reform programme of this nature.

The Implementation Process

The implementation of actual reforms was preceded by pre-implementation capacity building activities. This was followed by prioritized and programmed reform activities implemented in three phases. The first phase targeted reforms with the potential to yield cost containment in the civil service. Civil service organization, staffing levels and pay and benefits reform components were identified for this phase. The second phase aimed at performance improvement in the service. Personnel management and training; and financial and performance management reform components were therefore to be undertaken in this phase. Lastly, phase three targeted reform refinement. Under this phase, consolidation of gains of the reforms were to be made.

The implementation plan was logical. It recognized the need to build capacity before the actual reforms. Performance improvement being the overall purpose of the reforms, it was only logical to

start with addressing all its impediments. Organisational structures, staffing levels, and pay and benefits reforms were therefore obvious candidates for phase I. Performance improvement requires efficient personnel and financial management systems and this had to be the next set of reforms. A reform programme requires that gains are consolidated and this is naturally the last phase of a reform programme as was in this case.

Pre-Implementation Capacity Building Activities

According to those interviewed at the Secretariat, a number of pre-implementation capacity building activities were carried out in preparation for the actual reform implementation. A high level paper was prepared and presented to the Cabinet for approval. The paper detailed the reform policy, objectives, structures, activities and reporting. The Cabinet approved the programme giving it the necessary legitimacy. The reform institutional framework was then put in place. This comprised the National Steering Committee, the Civil Service Reform Secretariat, the Ministerial Civil Service Reform Committee, the Provincial Civil Service Committee and the District Civil Service Committee as shown in Figure 3.0

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Figure 3.0: CSRP actual institutional framework
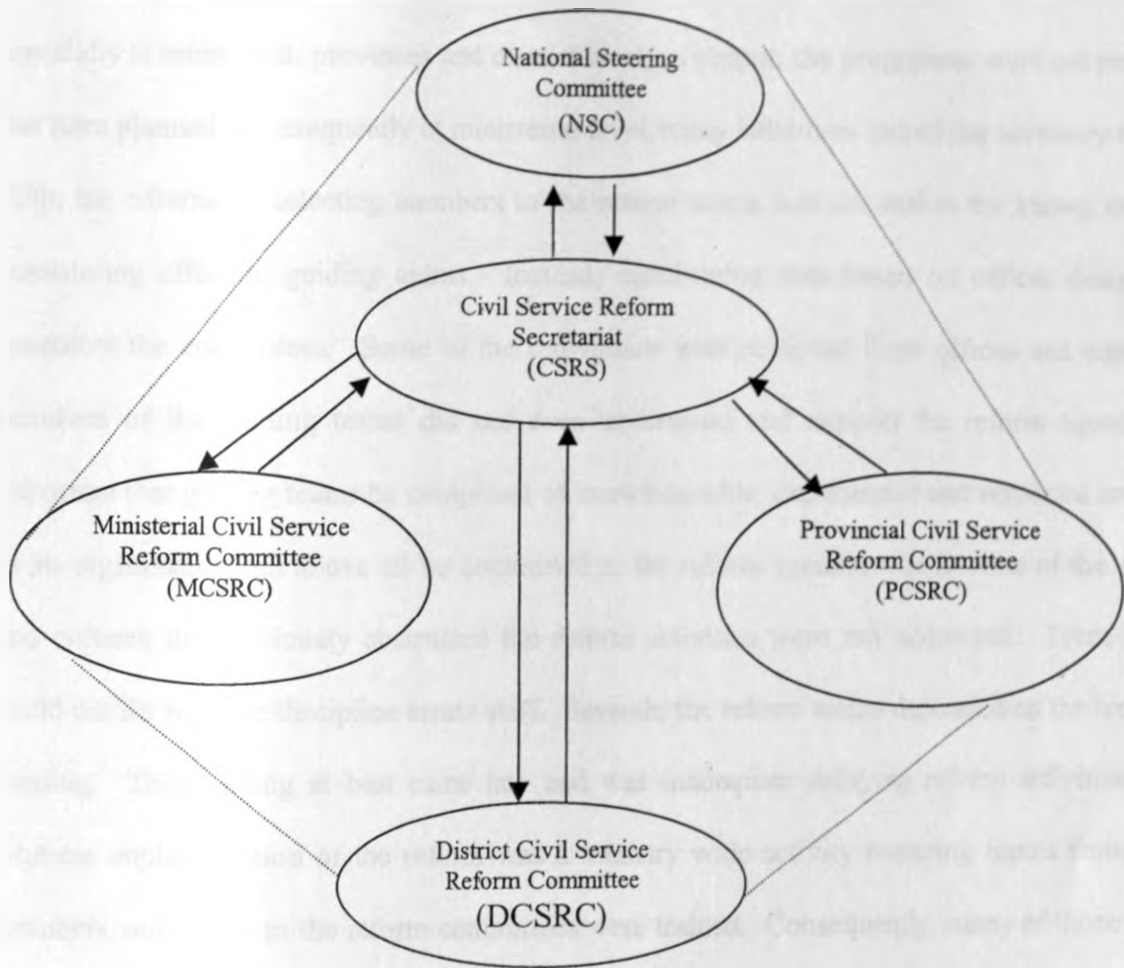
Source: DPM, Civil Service Reform Medium Term Strategy 1998-2001, April 1998

The National Steering Committee was comprised of eight Permanent Secretaries and was headed by the Head of the Public Service and gave policy direction to the programme. The Civil Service Reform Secretariat was established as the operational arm of the National Steering Committee. This comprised a team of experts from the DPM and other Ministries whose responsibilities include coordinating and championing the reform process. The secretariat was expected to work very closely with all Ministries to identify areas of reform, plan the reforms activities and mobilize resources for implementation. It was responsible for closely monitoring and evaluating the reforms. Three other committees, the Ministerial Civil Service Reform Committee (MCSRC), the Provincial Civil Service Reform Committee (PCSRC) and the District Civil Service Reform Committee

quick wins. This killed the reform momentum. Fourthly, the resources required by the reform teams especially at ministerial, provinces and district levels to support the programme were not provided as had been planned. Consequently at ministerial level, many initiatives lacked the necessary resources. Fifth, the criteria for selecting members to the reform teams was not tied to the known criteria for constituting effective guiding teams. Instead, membership was based on offices designated to constitute the committees. Some of the individuals who occupied these offices and ended up as members of the guiding teams did not even understand and support the reform agenda. It is important that guiding teams be comprised of knowledgeable, experienced and respected individuals of an organization and above all be committed to the reform agenda. Sixth some of the structures and cultures that obviously obstructed the reform activities were not addressed. Team members could not for instance discipline errant staff. Seventh, the reform teams depended on the treasury for funding. This funding at best came late and was inadequate delaying reform activities. Eight, whereas implementation of the reform was a ministry wide activity requiring inputs from all staff members, only those in the reform committees were trained. Consequently, many of those involved in the reform process did not acquire the skills to implement the reforms and they were disenfranchised. This weakness manifested itself during the implementation of ministerial rationalisation, strategic planning and results-oriented performance management activities. Most ministry officials were unable to carry out some activities because they did not have the necessary capacities. The rationalization reports made by most ministries did not address the issues expected and had to be refined.

In summary there was a notable departure of actual implementation from what had been planned. What had been planned looked promising and was likely to yield satisfactory results if it was implemented without change. However, as is common in the Kenyan public sector, there was a major departure from the plans and this affected the reform outcome significantly.

The Cost Containment Phase

Implementation started with the staffing component reforms according to those interviewed. The measures put in place included; staff reductions through Voluntary Early Retirement Scheme (VERS), freezing employment to fill vacancies created by natural attrition, abolition and freezing of vacant posts, development of staffing norms, reconciliation of personnel records, payroll administration and establishment control and the development and implementation of an Integrated Payroll and Personnel Database (IPPD) system. Some ministerial rationalization activities were also launched during this phase focusing on the interface between structures and functions in the operation of government ministries and seeking to redefine policy mandates, organizational structures and the elimination of overlaps and duplications of functions in the Ministries. A total of twelve Ministries were able to complete their organizational review. Pay and benefit reforms also kicked off. The pay and benefit reforms launched included; the monitization of the out-patient medical allowance; introduction of automatic house allowances payable to civil servants living in privately rented or owner occupied accommodation; and revision of the rates of privately rented and owner occupied house allowance payable to civil servants. Because the first phase overlapped with the 2nd phase, performance management, financial management and training and capacity building reforms were also started.

At the end of phase I, an assessment of the reforms was carried out. The findings were that a number of issues still required to be addressed to enhance performance in the civil service. Firstly, there was a mismatch between the deployment of resources and the priorities and core functions of government. Second, there still existed duplication and overlap of functions between and within ministries. Third, some ministries were overstaffed while critical vacancies still remained. Fourth, staffing level were still not based on workloads and requirements to achieve government objectives. Sixth, budget for operations and maintenance were still inadequate. Seventh, staff were not yet

adequately motivated and anomalies in pay and benefit remained. Eight, performance appraisal was inadequate. Ninth work ethics needed to be addressed. At the same time it was discovered that the retirement of staff under the VERS programme had not been based on any objective criteria. Consequently, there was both overstaffing and understaffing across the ministries while better performers had retired leaving poor performers in the service.

The cost containment phase was poorly implemented. While aiming at reducing staff in order to contain the budget deficit, it was also intended to contribute to the overall purpose of the reforms; improving productivity and efficiency. It turned out that while the number of staff was reduced productivity and efficiency went down. Initially, the approach to contain costs was to first rationalize ministries. Ministries were expected to rationalize their core functions and policy priorities. This was to be followed by organizational restructuring and development of staffing norms. This way, it was hoped, ministries would establish optimal staffing levels to facilitate core functions and priorities. Excess personnel would then be identified and allowed to retire or be retrenched. However, the urgent need to reduce the budget deficit crowded out these steps. Civil servants were allowed to retire without using any plausible criteria. Performers left the service leaving behind non-performers and this manifested itself in reduced productivity and efficiency. Secondly, implementation of the cost containment phase was assigned to the civil service reform secretariat. With a staff complement of less than 50 officers, the exercise turned out to be involving and consumed a lot of the secretariats' time. Instead of planning reform activities, the secretariat was overwhelmed by retirees' benefits processing activities. This slowed down the first phase significantly. Thirdly, the time of 2 years allocated for the first phase activities turned out to be inadequate to carry out the activities as was to be realized. This phase involved ministerial rationalization, decentralized, staff rightsizing and benefit and pay reforms. These are mammoth activities which required much more time and many actors. Ministerial rationalization for instance required that teams be formed and trained on how to carry out the exercise. This was then to be

followed by reviewing the ministerial functions, priority and designing appropriate structures. Staffing norms had to developed and staff inventory was to be carried out. Given that the exercise was to be carried out by part-time committees this required much more time.

The Performance Improvement Phase

A number of reform activities were implemented during this phase. All Ministries articulated their mission statements and defined their core functions. As a result, non-core functions and peripheral functions were identified for divesture or abolition. Ministries also carried out a critical review of their organizational structures in light of their redefined core functions. The optimal staffing levels and composition necessary for quality service delivery were determined. Each Ministry identified posts that were either no longer required or had to be created in order that the optimum establishment be realized. Consequently, the government identified those to be retrenched or redeployed. The civil service reform secretariat prepared and issued the Civil Service Reform Retrenchment Plan 2000-2002 of June 2000 where 42,329 employees were to be retrenched. The criteria to select those to be retrenched and the retrenchment package was worked out. The first phase of retrenching 23,329 employees was carried out successfully. However, the 2nd and 3rd phases hit a snag following both political and court action. Parliament moved a motion which stopped further retrenchment while those who had been retrenched brought court action against the Government and the court suspended further retrenchment. Another outcome was identification of all those non-core functions to be commercialized, privatized or contracted out. Thirteen Ministries identified non-core functions that could be commercialized out of which about 7,400 employees would be redeployed to those agencies taking up the responsibility. Eight Ministries identified non-core functions that could be contracted-out and anticipated a retirement of 9,981 employees. Three Ministries identified non-core functions which could be privatized with a total of 6,565 employees to be either retrenched or absorbed by other firms to take up the functions.

At the end of this phase, the assessment of the reforms indicated that while great strides had been made in rationalization and staff rightsizing of Ministries, there was need for deepening the reforms in order to build a firm ground for performance improvement in the civil service. Firstly, it was realized that some of the recommendations in the ministerial rationalization report were not well thought out while some ministries had not comprehensively carried out the rationalization activity. There was therefore need to deepen the exercise. It was also recognized that in order to commercialise, privatize and contract-out non-core functions the government needed to give guidelines. The third phase was therefore launched purposely to refine the policy priorities, core functions and strategic objectives of each Ministry.

6.4 **The Refinement Phase**

Basically this phase focused on refinement, consolidation and sustenance of reform gains and was originally planned for the 6th and 7th year of the reforms. However, because of delays, the phase started in 2001 and it is expected to end in June 2004. It was noted that Ministries required to quickly consolidate the opportunities arising from the retrenchment exercise and implement the remaining elements on their rationalization proposals. During this phase activities shown in appendix III were to be implemented and can be summarized as follows:

i)   Refine definitions of policy priorities, core functions and strategic objectives with particular reference to the Poverty Reduction Strategy.

ii)   Review organizational structures and actual establishment in light of refined core functions and following the retrenchment exercise.

iii)   Re-assess the validity of proposals to privatize, contract-out and commercialise activities and prepare profiles and exit plans for those functions/activities reaffirmed as suitable.

iv)   Eliminate overlapping or duplicating functions that remain within a Ministry/department and between Ministries/departments.

v) Evaluate in-post positions against desired organizational structures, re-deploy staff accordingly and identify outstanding vacancies.

vi) Introduce a results oriented management as a way of improving performance. Service delivery surveys, service delivery benchmarks and standards, service charters, annual work programmes, work improvement teams, staff performance appraisal and incentives and performance contracts were identified as necessary steps to be carried out towards achieving a results-oriented management culture.

Implementation of the reform activities did not progress in the 2nd and 3rd phase as planned for a number of reasons. The reform activities were overwhelming and complex to be implemented within the time allocated. Secondly, the civil service reform secretariat was not adequately staffed to manage ministry-wide reforms. Staffed with hardly 50 members, the secretariat could not adequately cover the over twenty ministries and departments and provide the required quality of guidance and supervision. Thirdly, Ministerial staff were not equipped with adequate skills and facilities to carry on with the reforms on their own as the need arose. They had to depend on technical assistance from the centre to carry out most of the reforms. Fourth, because line ministries felt ignored, they had to be pushed to carry out the reform activities. They were not motivated to implement the activities as outlined in the reform agenda on their own.

Perhaps, the refinement stage was implemented before it was due. The main activity during refinement is to consolidate gains with a view to ensure that reforms are institutionalized. At this stage, it should be ensured that culture conform to the reform values and expectations and that those in positions of influence are change champions. Once the strategic objectives are achieved and performance starts to show, then activities relating to refinement can be given priority. In the case of CSRP Programme, most of the strategic objectives are yet to be achieved. Performance improvement is yet to be felt.

6.5 Consultants

Consultants were involved in the formulation, planning, implementation and monitoring and evaluation of the reform programme. When the Government was convinced that the public sector was under-performing, consultancies were commissioned to assess the civil service performance, identify the problems and areas for reforms. During the reform process consultancy studies were carried out to develop staffing norms for functional and professional cadres in the service. The other areas where consultants have been involved is development of public service work ethics, assessing the capacity of Ministries and departments to carry out the reforms, develop an integrated personnel and payroll database (IPPD), develop performance measurement management techniques and evaluation of the programme outputs.

Consultants are an important input into a reform programme for a number of reasons. From their diverse experiences, they bring in new ideas and expertise that may be lacking in an organization. Second, they help organizations to deal with sensitive issues which are usually conveniently avoided by management. However, it is always important that a reform programme is initiated and controlled by the organization. The role of the consultant should be that of a facilitator. This was the case with the civil service reform programme. Consultants were helpful in accessing expertise that lacked and largely facilitated the process.

6.6 Change Agents

A number of groups were used as the Change Agents. The National Steering Committee, the Civil Service Reform Secretariat, the Ministerial Civil Service Reform Committee, the Provincial Civil Service Reform Committee, the District Civil Service Reform Committee, the Performance Improvement Team and the Work Improvement Teams were all change agents that guided the reform at various levels and stages of the reform process. For change agents to be effective, a number of conditions must be met. Firstly, they must have the necessary autonomy and power to

innovate and implement strategies. At the planning stage, it was anticipated that these change management teams would be given autonomy and resources to design and implement innovative ideas. However, as it turned out, the planned autonomy and resources never came into being. Secondly, change agents must be comprised of knowledgeable, experienced, powerful and respected individuals. Indeed at the planning stage, this was recognized. However, at the implementation stage, individual qualities were not taken into account. Change agents must have access to power so as to intervene in political and cultural systems while at the same time influencing, negotiating and selling change ideas. It is not evident that this access was available

6.7 Planned and Emergent Approach

From the planning documents, it is clear that the planned approach to reform management was dominant during the initial stages, particularly in phase I. The change agent, CSRS, planned the reform activities and a schedule of responsibilities and time frame drawn. It was hoped that after implementing the reforms, the civil service would improve productivity and efficiency and stabilize at a certain point. The approach at this stage was top-bottom where reform activities were decided at the top and passed down for implementation. However, as the reform process progressed, the emergent approach started to take root. Ministries were allowed to identify areas that required to be reformed and initiate the reforms on a continuous basis. The emergence of a down-up approach was encouraged with the participation of Ministries in initiating reform activities. Reforms were becoming an open-ended activity across the Ministries.

Achievement of the reforms

i)   Through the Voluntary Early Retirement Scheme (VERS) allowing civil servants in job group A to G to retire; a ban on recruitment of staff except in critical areas; withdrawal of guaranteed employment to university and pre-service training graduates; and strict enforcement of the mandatory retirement age under the fifty five (55) year rule, the

government reduced its staff by 69,622 employees and is saving an estimated Kshs. 4.8 billion annually from February 1998 as shown in Table 3.0.

Table 3.0: Staff reductions and savings in phase I

	Strategy	No. of exits	Estimated gains in billions	Total cost Kshs In billions
1	Voluntary Early Retirement Scheme	42,132	2.1	8.1
2	Natural attrition	39,370	2.2	-
3	Total	81,502	4.3	-
4	Less recruited	11,875	1.0	-
5	Net reduction	69,127	3.3	

Source: DPM, Civil Service Reform Medium-Term Strategy 1998-2001, April 1998

ii)   A total of 26,334 vacant posts in the civil service were abolished in three phases; September 1993, September 1994, and November 1994 with 13,954, 8,381 and 3,999 vacant posts being abolished respectively.

iii)   Staffing norms to provide the Government with a criteria and a strategy to arrive at optimal staffing levels and guide Ministries/departments in human resource planning and utilization were finalized and are being implemented in various Ministries and departments. The staffing norms are assisting the Government to rightsize staffing levels.

iv)   Through the strategy of reconciliation of personnel records and head count, 16,093 civil servants in the payroll were discovered to be ghost workers. Headcount were conducted in three phases; phase one between 15th –30th March 1996, second phase between 3rd and 14th March 1997 and third phase between 1st October 1997 and 30th October 1997. The headcounts covered all Ministries and 421, 9,639 and 6,033 ghost workers were discovered in phase I, Phase II and Phase III respectively. The ghost workers have since been removed from the payroll and it is anticipated that Ministries are saving up to Kshs. 141.4 million per month.

v)   The Integrated Payroll and Personnel Database (IPPD) system was introduced on a pilot basis in six Ministries and one department. This is a computer based personnel management information system that intends to integrate the three main personnel functions of computer control, payroll administration and personnel emoluments budgeting. The objective of the system is to improve personnel and payroll information processing, storage, retrieval and elimination of data redundancy and duplication. The system, once implemented provides prompt and accurate personnel information to senior officers for quick decision making, eliminates chances of introducing irregular payment among other benefits.

vi)   Ministerial rationalization was launched in March 1995 and completed by all Ministries in 1999. Consequently, all Ministries have redefined their policy mandate, identified their core functions, organizational structures and optimal staffing levels. Functions that were overlapping and duplicating have been identified and proposals for merging such functions made. Non-core functions for either commercialization, contracting out and or privatization were identified. Overstaffing and understaffed activities were identified and those to be retrenched or deployed were identified. A total of 42,329 members of staff were earmarked for retrenchment as shown in Table 4.0.

vii)   On pay and benefits reforms, the government has monitised the out-patient medical allowances. Automatic house allowance payable to civil servants living in privately rented or owner occupied accommodation were introduced. Rates for privately rented and owner occupied house allowances payable to civil servants have been revised. Salary increase was effected for top civil servants and those for other staff are in the process of being reviewed in order to attract and retain qualified and motivated staff.

viii)   Key staff of Ministries where reviews were conducted were trained in performance management concepts and have reviewed their schedules of duty and workplan in preparation for the revised objective staff appraisal instrument.

ix) Ministries have carried out personnel emoluments and operations and maintenance studies with a view to arriving at a PE:O&M ratio of 60:40. An Interministerial Task Force on management of the recurrent budget was formed by the National Steering Committee to address issues relating to financial management, staffing and the public service wage bill and administration policies and the impact on the national budget.

x) The government appointed a Task Force on training policy and capacity building in the civil service. The Task Force reviewed the training approach and recommended the overall public sector policy on training and capacity building. Consequently, the government has decentralized training from the DPM to Ministries/departments. The Government has also established the post of Human Resource Development Officers in all Ministries/departments as a response to Task Force recommendation.

Table 4.0: Proposed staff for Redeployment and Retrenchment

Ministry/Department	Redeployment				Retrenchment				
	Transfer of function	Commercialization	Divest to SAGAS	Total	Abolition or function	Overmanning	Contracting out	Privatisation	Total
Local Government	31		18	49	6	67			73
Public Service Commission						75			75
Tourism and Industry	127		260	387		314	67		381
Finance and Planning	562		257	819	159	241			400
Roads and Public Works	430		2800	3230		4938			4938
Labour and Human Resources	13	70	311	394		2108	104		2212
Health			1562	1562	511	1948	6252		8711
Office of the VP and Home Affairs			180	180		274	110		384
Agriculture and Rural Development	1091			1091		3577			3577
Energy	12			12	7	64	3		74
Education, Science and Technology			205	205	27	552	622		1201
Lands and Settlement	130		21	151	131	1378	28	545	2082
Office of the President	1803		314	2117	6362	1482	1656		9500
Office of the Attorney General			60	60			35		35
Environment and Natural Resources	1091		228	1319	2	830	986	5997	7815
Information, Transport and Communication	79	19	1168	1266	75	655	118	23	871
Total	5363	89	7384	12842	7280	18503	9981	6565	42329

Source: *DPM, Civil Service Reform Retrenchment Plan 2000-2002 of June 2000*

Factors that influenced the Reform Performance

There were a number of factors that impacted negatively on the reform outcome according to those interviewed at the Secretariat. The actual implementation approach substantially varied from the planned approach. It had been planned that staff reduction would be based on rationalized structures. This was never to be because of the urgency to contain costs. Second, it had been planned that change agents would be created at all levels and be granted sufficient autonomy and resources to innovate and implement new ideas with the support of the centre. This again never came into being. Consequently, reform initiatives were centralized and this affected the processes of ownership and innovation.

Interviews with the secretariat revealed that both behavioural and systematic resistance slowed the reform process in addition to making the process more costly. Because of the anticipated staff retrenchment without a clear criteria initially, civil servants became anxious and withheld support for the reforms. Secondly, the centrally planned reforms alienated line Ministries. Ministry officials suspected the intentions of the reform agents and this caused mistrust between the centre and line ministries. In terms of systemic resistance; ineffective personnel information systems did not provide reliable and timely information for decision making particularly in determining the staffing levels. Another problem was lack of adequate management skills and expertise to implement some of the reform measures for instance the results-oriented performance management techniques. Because of a combination of factors; the need to urgently implement the reforms, inadequate time, inadequate funding and a bureaucratic system, it was not possible to implement measures that would have reduced the level of resistance. It would have been important to understand and address the concerns of the civil servants while at the same time convincing them to appreciate the need for reforms. This approach would reduce resistance significantly and move the reforms forward much faster.

Several cultural issues obstructed reform measures according to those interviewed. The civil service was perceived as a secure employer. Retrenchment was unheard of and was opposed even by those not affected. A reward system based on the length of service rather than output did not facilitate performance improvement. A bureaucracy that subjects activities to predetermine rules and regulations did not encourage innovative behaviour. A long hierarchy that requires all activities to be sanctioned at the highest level slows down decision-making process wasting away opportunities for performance improvement. The reform management purposely avoided to tackle cultural issues before implementing the reforms. This appeared to make sense because cultural issues in the civil service are in themselves complex, politically explosive, and would require long periods of time to change. It was hoped that as the civil service reform progressed those in the service would adapt to new values and expectations.

The civil service reform measures being political in nature required effective lobbying with a host of stakeholders whose support was crucial to legitimize the process. The civil servants , Ministry management, Public Service Commission, Parliament, the Judiciary/Courts, the Cabinet, the Private sector and the general public have interests in the happenings in the civil service for one or another reason. The reform agents did a starring job in ensuring that the Cabinet supported the reforms. However, support mobilization from the other stakeholders especially the employees, Ministry management, the Courts and Parliament was taken for granted. Consequently, all these parties resisted the reform measures in one-way or the other. In Parliament a motion was moved and passed suspending the retrenchment process. Employees appealed against the reforms in Court and the appeal was allowed. The reform agent conceded that other than lobbying with the Cabinet for support, not much effort was made to mobilize support from other important stakeholders. It was assumed that since it was clear that there was need for efficiency in delivery of public service, not much resistance would be forthcoming. This was a major plunder on the part of reform agents. However, it is important to note that lobbying in Government can be difficult given the varying and

conflicting interests of the many public sector authorities. The effort required to lobby and sustain support from the many authorities in public sector is at best frightening, requiring efforts above those the head of the civil service can summon.

Leadership for the reforms was provided by the Cabinet, the head of the civil service and the National Steering Committee at the national level. It was expected that at ministerial level the Permanent Secretary and the Ministerial Reform Committees would provide the requisite leadership. Interviews with the reform managers about the quality of leadership revealed that the various heads of the civil service were helpful in ensuring that the programme was on course. However, there were changes during the reform period and different heads of the civil service provided different levels of leadership, depending on their commitment to the reforms. Leadership from the Cabinet, Permanent Secretaries and Ministerial Reform Committee was sluggish. This should have been expected. Leadership for a successful reform programme calls for commitment, resourcefulness and enthusiasm from those who provide it. The Cabinet being a body made of politicians would be least enthusiastic to implement reforms that affected the very constituency from which they derive their mandate. Permanent Secretaries and Ministerial Reform Committees were in the first place uncomfortable with the reforms that they did not originate themselves. A reform programme requires leadership from an individual, who is in a position to influence others. It may be very difficult in the civil service to identify such a person. Perhaps the President would be the ideal officer, but has the disadvantage of being a politician. As it could be discovered during the transformation of the British Public Sector, Ms Thatcher, the then Prime Minister had to get rid of the "wets", a term used to describe those in the Cabinet who resisted transformation, in order to implement the reforms she planned. It is only in the 2nd term of her office after the "wets" were voted out when the reforms she wanted were enthusiastically implemented. The Thatcherism legacy became real because of her personal commitment and zero tolerance for those who resisted the reforms.

It was important that the centre related well with the line Ministries, the reform committees and the other change agents created for the purposes of championing the process. The findings are that teamwork was not effective especially between the centre and the line ministries. Again this was expected for a number of reasons. The fact that initially the centre planned reforms with no consultation with the line ministries alienated the later. Secondly, a common goal was not shared as expected. This problem was exacerbated by the method used to select the change agents membership. The method did not screen the members for suitability to engender the reforms. A number of Permanent Secretaries and other members did not support the reforms wholly. Thirdly, because of the perceived alienation, the teams did not interact cooperatively and were not cohesive.

According to the reform agents, it had been expected that the cost savings arising from phase I of the reforms programme would be applied to improve the emoluments of those left in the civil service and operation and maintenance budget. Though there were substantial staff reductions, those remaining in the service felt that the promises were not kept. What they instead experienced was an increased workload without commensurate improvement in their terms of service. They saw the reforms as more of burden.

Initially the reforms were top-down. Ministries were not involved in identification of the reform agenda. Instead, the civil service reform secretariat identified the reform measures and passed them down to the line ministries to implement . Ministries resented the reform measures and saw them as alien . However, this problem was addressed in the 2nd and 3rd phase and the line Ministries were empowered to propose changes they deem necessary.

Frequent transfers of staff especially those in the guiding teams affected the pace of the reforms. Five different persons served as head of the Civil Services during the period; a leadership position

64

critical to the reforms. Membership to the MCSRC, PSCRC, DCSRC, PIT and WITS changed frequently over the period. This varied the quality of leadership and the level of commitment to the reforms.

The resources to implement the reforms were mainly sourced from development partners. Because of the inconsistent relationships with the Government over the period, funds intended for the reform process were withheld when the relations soured, sometimes in the middle of reform activities causing costly disruptions.

On a brighter perspective, a number of factors contributed positively to the reform process hence the achievements that are discussed in section 4.7. Firstly, because of the pressure from the general public, tax payers and the private sector for better services, there was urgency for the civil service to reform. Public outcry and private sector complaints questioned the legitimacy of the government in power that had been seen as corrupt, inept and ineffective. Secondly, there were development partners ready to support the reform agenda with technical and financial assistance. The issue of internal capability and capacity was therefore resolved. Third, those responsible for planning and implementing the reforms did an excellent job particularly during the planning stage. The need for the reforms was clarified the reform components were identified. The strategies for implementing the reforms were developed. Fourth, the evaluations which were carried out at the end of each phase were helpful in improving the reform processes. Areas with problems were identified and necessary action taken. Fifth, in principle, the President and the Cabinet accepted publicly that the public sector was under-performing and required to be reformed in order to improve productivity and efficiency.

Change Management Processes and Models and their Application in the CSRP Management Processes

A dozen or so change management models have been proposed by change experts. Some of these models even suggest steps that must be followed biblically in a successful reform programme. Some of these models were discussed in Section 2.6 of this study report. When one looks at these models carefully, they seem to share common features that a change management process must entail. All of them seem to agree for instance that change programmes must have a shared vision and strategies that are well crafted and communicated to all stakeholders. Other common features include analyzing the need for change, creating a sense of urgency, a strong leadership, lining up political and stakeholders support, using symbols, crafting an implementation plan, developing enabling structures, communicating, involving the people and reinforcing and institutionalizing reforms among other features. The civil service reform programme applied a number of these features. A vision was created. The reform programme aimed at creating a leaner civil service with a motivated staff that would be productive and efficient. The strategies to achieve this vision were outlined. This was communicated. Guiding teams were formed to steer the process. Political and stakeholders support was sought . Leadership was placed on the Cabinet while implementation plans were prepared. However, the reforms did not adopt and subscribe to any of the models and apply it biblically to implement the reforms. It would appear that the reform agent selected what appeared to be important under the circumstances. This is as it should. It was argued in Section 2.6 that though those models are useful, it is incumbent upon the reform managers to review the context under which reforms are to be implemented and adapt the models to suit their particular circumstances. This is an important step in view of the fact that different circumstances will need specific attention.

Comparison of the CSRP and Private Sector Change Management Processes

This section attempts to compare change management in the private sector as it has been observed to be practised (and discussed in Chapter 2.0) and the findings on how change management was practised in the CSRP Programme.

Table 5.0: Comparison of private sector and CSRP reform processes

Process	Private sector processes	CSRP Process Findings
1. Reform phases	The changes go through three phases, the preparing phase, the beginning phase and the cementing phase	This was similar in the CSRP process. The reform went through a planning phase, capacity building phase and implementation phase. The issues addressed were similar to those addressed by private sector
2. Planning phase	During the planning phase, the vision, strategies, guiding teams, management structures, activity planning, commitment, monitoring, training, creating a willingness to change, awareness, and people involvement issues are addressed.	These were largely the issues addressed during the planning stage
3. Vision	Vision is created and clarified through a vigorous but participatory processes	This was done in the civil service reforms. The only difference is that it did not involve inputs from all the line Ministries and was kind of imposed
4. Mission statement	Private sector religiously craft and adhere to a mission statement. The mission is broadly displayed and repeated at every opportunity. It gives direction to all	Ministries were expected to craft their mission during the rationalization process. It was expected to give direction to all ministries. Indeed ,most Ministries have developed mission statements which are displayed at the headquarters
5. Strategies	Strategies to achieve the vision are developed and communicated to all those involved	This was also done in the civil service reform programme
6. Communication	Many and varied fora are used to communicate the vision and strategies	This was also the case in the CSRP
7. Guiding teams	Guiding teams are formed at all levels. These teams comprise knowledgeable, experienced and respected people	The guiding teams were formed. The membership was however based on offices rather than individual merit
8. Leadership	Leadership is normally provided by the Chief Executive who provides the vision, commitment and resources	Leadership is not from one source. It involves a number of authorities and individuals
9. Stakeholder support	Stakeholders are identified and support mobilized and sustained	There was a lapse in this area. Important stakeholders were not mobilized to support the reforms. Stakeholders support can be difficult to mobilize and sustain in the civil service because of staff mobility, conflicting interests and several authorities to deal with
10. Symbols	Symbols are a powerful tool in managing change	Symbols did not feature predominantly as expected
11. Quick wins	Quick wins are monitored and rewarded	This did not feature in the reforms as expected

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

The reform process involved three phases; the planning phase, the capacity building phase and the implementation phase. The planning phase constituted pre-reform planning and phase transition planning. During the pre-reform planning the need for reforms was clarified and the reform components were identified and documented. The vision was crafted and communicated to the stakeholders. Strategies or what was referred to as the implementation principles among them creating legitimacy, mobilising political support, forming reform teams (guiding teams) were identified. The reform management structures were designed. A detailed implementation plan detailing the reform activities, the timing and responsibilities was drawn. Lastly, the resource requirements to support the implementation activities were established. In between the reform phases, evaluation of each phase was carried out. During this evaluation, policy regime changes and lessons learnt from implemented activities were identified. These were used to inform planning of the next phase. Planning is an essential phase in implementing a successful change. The civil service reform planning was fairly detailed and addressed most of the important issues. However, for a complex reform such as this one, there were a few issues which were inadequately addressed. Identification of and negotiations with important stakeholders was not adequate. Parliament and the Courts which were important stakeholders were left out. As would be demonstrated later during evaluations, issues of reform ownership, commitment, communication, concerns of the employees among others were not adequately addressed at the initial stage. However, the evaluation and incorporation of lessons learnt was a useful tool that improved the quality of reform management process.

During the capacity building phase, the reform levers were operationalised. Legitimacy and political support from Cabinet was secured. The reform agents (guiding teams) were established and empowered through training. Awareness was created while the organisation and management structures were put in place. Funding commitment to support the reform process was also secured. There were however, a number of shortcomings during this phase that could later affect the reform outcome. Legitimacy and political support mobilisation was inadequate. Parliament, the Law Courts, Ministry of Finance and line Ministries which were important stakeholders were not adequately mobilized to win their support on a sustainable basis. Line Ministry top management and other staff commitment to the reform through involvement was not secured. The mechanism for sustaining the reform momentum which was necessary for a long reform process, was not put in place. The criteria for selecting membership to the guiding teams was faulty and ended up with members who may not have supported the reforms.

The last phase of the reform was the actual implementation. The reforms were implemented in three phases, the cost containment, the performance improvement and the refining phases. During cost containment, the organization reforms, the staffing reforms, the pay and benefit reforms were planned in order to contain the budget deficit. The personnel, training, financial and performance management reforms were targeted for the performance improvement phase in order to improve performance. Lastly, the refinement phase was supposed to consolidate gains and institutionalize the reforms. The implementation plan was excellent. However, it did not achieve its strategic objectives for various reasons. The cost containment was poorly implemented and did not lay the groundwork for the next phase of performance improvement. Moreover, activities were not implemented as planned. Consequently, most of the phase one activities were carried over to phase two. This had a

spill-over effect to phase two whose activities were also carried forward to phase three. It is unlikely that all reform activities will be implemented in the remaining period.

The reform performance was affected by a number of factors. The process experienced both behavioral and systemic resistance. Employees particularly those in line ministries did not support the reforms because of suspicion. The information system did not provide adequate and reliable information to support decision-making. The management skills to implement some proposed reforms were not adequate. This problems arose because of the need to urgently implement the reforms. There was inadequate time to deal with issues that would have reduced resistance. Cultural issues affected the reform process. The civil service is considered a secure employer. The civil service system rewards staff according to the number of years one is in the service rather than performance. Civil service rules and regulations stifle entrepreneurial and innovative behaviour. Leadership was placed on the Cabinet. Politicians could not provide effective and committed leadership to the programme given that part of the reform outcome was to retrench staff; people who give the Cabinet political support. Teamwork between the line ministries and the centre did not flourish. Because ministries considered the centre as imposing the reform agenda, coherence and a shared goal did not flourish. On the positive perspective, public outcry for improved service delivery gave the reforms some urgency. The planning phase was excellent despite a few problems. The evaluation provided the information to improve the reform process. The development partners provided the necessary technical and financial support. In principle the President and the Cabinet publicly supported the reforms.

Though the reforms did not subscribe to any particular change management model proposed by the change experts, it nevertheless borrowed heavily from such models. A shared vision, strategy development, use of guiding teams, building legitimacy and winning political

support are some change management levers proposed in the models for successful change management processes that were applied in the civil service reform programme.

The change management processes compared well with those that have been observed to be practiced in private sector. The changes were implemented in phases. Vision, mission, strategies, communication, urgency, guiding teams, stakeholders' support and strong leadership are important processes. Most of these processes are however complex to achieve in the public sector than is the case in the private sector.

5.2 Conclusion

Though there are considerable achievements, the strategic objectives of the reform programme are yet to be fully achieved. The number of civil servants was reduced considerably but this did not translate to a budget deficit reduction. Though ministries identified and made recommendations on the non-core, overlapping and duplicated functions that needed to be commercialized, contracted out and privatized, this has yet to be effected. Capacity strengthening in the civil service through attracting and retaining qualified staff, improving personnel and training policies is still to be achieved. The introduction of the computerized integrated personnel and payroll database as a means of providing timely and accurate information for managing the staff establishment is still at the piloting stage. The operations and maintenance budget has yet to be improved.

The vision of improved productivity and efficiency through a leaner and well motivated civil service requires much more commitment and effort from the civil service leadership before it is achieved. As of now it is still a dream.

5.3 Recommendations

i) Reform planning and implementation should be decentralized from the centre to individual ministries. Ministries should be challenged to identify necessary reforms that can make the civil service responsive to environmental change. They should then be empowered to implement the reforms on a day-to-day basis. This will encourage a bottom-up approach which promotes participation and ownership of change programmes. At the same time, innovation will be encouraged at the right levels.

ii) Reform should not be seen as a one-off time project that ends after certain activities are achieved. Instead ministries should be encouraged to carry out reforms as a continuous day-to-day management activity. This is achieved through empowering management and staff at ministries.

iii) Criteria for retrenchment should be determined and made public so that transparency and accountability is increased. This way resistance can be reduced considerably.

iv) Political management of the reforms through negotiations, advocacy and legitimacy is still far from being effective. There is need to lobby with major stakeholders including Parliament, the Judiciary and the civil servants themselves to support the reforms.

5.4 Limitation of the Study

A number of factors affected the study. Firstly, staff mobility at the civil service reform secretariat affected data collection. The reforms were launched in 1993. Over the years many of the senior staff initially involved in managing the reforms have either retired from the service or have been transferred. Though those who replaced them provided some information, personal experiences which are not in files were difficult to come by. Secondly, even where the staff were available, some of them could not recall experiences relating to 10 years ago. However, secondary data from reports was helpful. Third, the study was designed

to cover the Civil Service Reform Secretariat and World Bank. Ministries, Provinces and Districts and other stakeholders involved in the reforms were left out. Though secondary data captured some of the input from these sources, inclusion of these groups to provide primary data would have been helpful.

5.5 Suggested Further Research

This study was designed to involve only the civil service reform secretariat who managed the reforms. The experiences from ministries, departments, provinces and districts was not covered. It will be interesting to carry out a cross sectional study involved ministries, provinces and districts to include their experiences on the reform management processes. The civil service reforms are in the third phase and hopefully the final stage. During this phase, major activities are planned. Overlapping and duplicative functions are expected to be merged. Non-core functions are expected to be commercialized, contracted-out and/or privatized. How this will be carried out and the results therefrom will be an interesting area of study. Performance improvement is a major objective of the reforms. So far not much has been realized. During the current phase, this will be emphasized through the results-oriented management approach. A study to determine the extent to which performance in the service will improve and the impact on the quality of service will be interesting

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Civil Service Reform Components

Component	Problem	Issues	Objectives	Targets

Civil Service Organisation reforms	• Cumbersome, over complex, duplicative, ineffective structure.
	
	• Duplication of services in the field; lack of coordination of services in the field.
		• Role of Central Ministries (policy not delivery)
		• Role of Local Government
		• Role of Centre and of locally delivered services
		• Role of Centre and Districts
		• Structure of Ministries/Board
		• Criteria for identification of potential Executive Agencies
			• Identify clear role of Central Ministries
			  − Policy analysis
			  − Advice to politicians
			  − Specify service levels, standards and objectives
			  − Procuring services
			  − Monitoring performance
			  − Setting enabling framework
			• Rationalise Ministry/Department/Board structures to reduce duplication, overlap, ambiguity, conflict
			• Introduce clarity of authority, responsibility, accountability
			• Strengthen devolution (agencies)
			• Strengthen delegation to managers, and discretion and accountability of managers
			• Set up delivery agencies as arms length Executive Agencies
			• Separate policy analysis from management of service delivery
			• Identify service-wide functions which can be contracted out
				• Rationalise duplication between Ministries (identify four overlaps) (Yr 1)
				• Rationalise and reduce overlaps and duplication (Yr 2)
				• Identify five potential Executive Agencies (Yr 1)
				• Set up three Executive Agencies (yr 3)
				• Abolish surplus non-Departmental bodies (Yr 4)
				• Introduce non-traditional management structures in 3 pilots (Yr 4)
				• Reduce ratio of Nairobi based to provincial based staff by 10% (Yrs 3, 4, 5)
				• Contract out two major services (Yr 3)

Staffing Levels Reforms	• Structures no longer relevant to objectives. • Staffing levels not linked to overall objectives • Ratio of O.M to P.E. • Establishment levels not controlled. • Recruitment controls not working.	• Top down budget – driven (centrally determined targets) or bottom up needs driven (driven by each agency). • Extent of agency management flexibility and discretion. • Flexible complementing or fixed establishment by grade. • Integration with budgeting (and PIP). • Balance P.E and O&M. • Payroll control and integrity. • Establishment and recruitment control.	• Promote concept of "constant change": structures change as objectives for each agency change over time. • Strengthen delegation of responsibilities and accountabilities for flexible use of resources to agency managers. • Establish detailed targets (numbers, wage bill). • Strengthen manpower control and recruitment control. • Target groups for a voluntary retirement programme. • Target resources (PE, OM) on key activities. • Identify resources which can be released for more productive use elsewhere. • Tighten payroll integrity. • Identify and remove ghosts.	• Achieve overall 6% reduction (Yr 1,2,3,4,5) • Produce initial targets for all Ministries/Departments/Boards/Districts (Yr 1). • Ensure all staff paid through payroll system (Yr 1). • Eliminate ghost workers (Yr1) • Manpower control system in place (Yr 1). • Complete safety net ad early retirement study (Yr 1). • Implement safety net (Yr 2). • Implement staffing norms in 4-6 pilot areas (Yr 1), 8 pilots areas (Yr 2). • Complete 10 sample job inspections (Yr 1,2,3,4,5).

Component	Problem	Issues	Objectives	Targets
				• Delete vacant posts (Yr 1). • Redeploy staff not in established posts (Yr 1,2) • Complete payroll review (Yr 2). • Introduce new payroll system (Yr 3) • Manpower control through cash limits, not establishment (Yr 5).
Pay and Benefit Reforms	• Size of wage bill. • Pay at high levels eroded and unattractive (high vacancy rates). • Housing policy expensive and severely distorting housing market. • Multiplicity of allowances.	• Government pay position policy for Civil Service compared to private sector (overall, senior; junior) • Affordability. • Focusing of reward and incentive. • Transparency.	• Establish Government pay policy. • Establish specific decompression targets to reflect Government pay policy. • Monetize allowances to promote transparency (clean wage). • Target remaining allowances to achieve defined objectives. • Target pay and benefits package to improve recruitment and retention for key employee groups. • Introduce simplified more transparent pay structure.	• Identify 6-8 at risk groups to protect (Yr 1). • Monetise allowances (clean wage) in budget neutral way (Yr 2). • Implement new pay structure (Yr 3). • Pay for 6 key senior groups comparable with private sector (Yr 3). • Restrict Government leasing of private housing (Yr 1) • Government Housing Study (Yr 1. • Implement Study recommendations (Yr 2,3,4).
Financial and Performance Management Reforms	• Individual performance not linked to organizational performance, individual performance appraisal ineffective.	• Link of organizational performance and individual performance. • Link of performance management and financial management. • Link to Budget Rationalisation Programme and Public Investment Programme. • Link of organizational and individual performance to reward.	• Focus performance of each CS body on key activities. • Develop performance-oriented culture. • Introduce performance targets in all CS bodies. • Strengthen policy/priority driven budgeting. • Link individual performance and objectives to organizational/agency objectives. • Stimulate improved performance and more focused performance at individual and at agency level. • Identify and reward good performance (differentiation). • Promote use of MIS and performance indicators. • Integrate agency performance management (objectives, key activities) with staffing structure and levels, with budget. • Link pay progression to performance. • Link reward to performance.	• Identify heads of Management Units • Virement O.M/P.E (Yr 3) • Devolve budgets and management responsibilities to heads of management units (Yr 3). • New budgets system (Yr 2). • Implement organizational performance management system in 6 pilots (Yr 2). • Refine appraisal scheme (Yr 1). • All CS bodies have targets and annual reports (Yr 3). • Implement performance bonus and merit pay schemes in 6 pilots (Yr 3). • Implement performance indicators in 2 pilots (Yr 3). • Complete management review (Yr 2). • Complete 3 management reviews (Yr 3,4,5).

77

Component	Problem	Issues
Personnel Management and Training Reforms	• Personnel management framework fragmented: multiplicity of agencies causes delays. • Few external applicants attracted (and fewer successful) for senior posts despite open structure. • Oversupply of preservice graduates. • Training no longer driven by needs of service. • Discipline eroded.	• Independence, impartiality, integrity, honesty, conflicts of interest. • Merit principle. • Centralised or decentralized controls. • Responsibility of Government as employer for developing employees (training and development). • Role of manpower planning.

Source: DPM. Civil Service Reform Programme and Action Plan 1992-1997. May 1992

Objectives	Targets
• Ensure appropriate organizational, legislative and administrative framework in place. • Strengthen merit principle for appointments. • Remove conflicts of interest. • Revise schemes of service, class and grade structures to facilitate quick progression on merit (not length of service or qualifications based). • Strengthen open structure for top civil service. • Strengthen professionalism of personnel and training function. • Ensure appropriate management information (establishment, inpost, personnel information) is available. • Strengthen manual and computerized records and information systems. • Make training relevant to the management and operational needs of the Civil Service.	• Rationalise personnel management agencies (Yr 1). • Strengthen open structure: increase external applications by 60% (Yr 3). • Introduce accelerated development scheme (Yr 1). • Review schemes of service (Yr 5). • Introduce 10 targeted short training courses (Yr 2). • Complete training needs analysis for 10 key groups (Yr 1). • Regular in-service short training for all key groups (Yr 3,4,5).

78

Detailed Workplan 1992-1997

A. Capacity Building

Action	Resource/Responsibility	Target date
Overall Structure		
Restructure DPM to lead reform	DPM/CPS	Month 1
Finalise pogramme management structure and strategy	DPM/CPS	Month 1
Finalise detailed work programme, resources and targets	DPM/CPS	Month 1
Seminar with CPS on objectives for Civil Service generally and for Civil Service Reform in particular.	DPM/CPS	Month 2
Finalise high level paper to Cabinet on reform policy and programme (including objectives, structure, management and reporting arrangements).	DPM/CPS	Month 3
Secure Cabinet approval to work programme.	DPM/CPS	Month 3
DPM Staff and Resources		
Identify resource needs (civil service staff; contract hires; local and expatriate technical assistance; logistics support)	DPM/CPS	Month 2
Identify external funding sources and formulate funding requests.	DPM/MOF	Month 3
Apply for funding.	DPM/MOF	Month 4-6
Arrange to transfer in-service staff to DPM.	DPM/PSC	Month 4
Bring in technical assistance where appropriate.	DPM/MOF	Month 7-9
Purchase logistics	DPM/MOF	Month 7-9
Secure "in principle" advance funding for short-term studies	DPM/MOF	Month 1-6
Pilot Units		
Identify 6 Ministries/Departments/Districts to act as flagships and champions for reform.	DPM/CPS	Month 1-3
Draw up work programme for pilots for show case projects.	DPM/CPS	Month 4
Define staffing needs of pilots.	DPM	Month 6
Transfer in-service staff as required (including DPM secondments).	HOD/PSC	Month 4-6
Bring in technical assistance where required.	HOD/DPM/MOF	Month 7-9
Purchase logistics.	HOD/DPM/MOF	Month 7-9
Initiate first pilot actions.	HOD	Month 12-14
Monitor performance and outcomes of pilots	DPM	Month.........
Spread lessons and best practice models	DPM	Month ....
Training for Reform		
Draw up priorities for in country and overseas training and comparative /study visits to support reform programme.	DPM	Month 1-3
Formulate funding request.	DPM/MOF	Month 1-3
Apply for funding.	DPM	Month 4-6
Complete overseas study visits (e.g. Ghana)	DPM	Month 7-.......
Deliver training.	DPM	Month 7-........
Publicity and Communications		
Set up Central Publicity Unit.	DPM	Month 4-6
Draw up communications programme.	DPM/CPS	Month 7-9
Launch mass media campaign on Civil Service Reform and issue first media release.	DPM	Month 10-12
Launch programme of briefings on Civil Service Reform for civil servants.	DPM	Month 10-14
Launch reform programme bulletin.	DPM	Month 10-14

3. Programme Components: Civil Service Organisation

Action	Resource/ Responsibility	Target date
Ministry Rationalisation		
Hold seminar with CPS on Civil Service structure issues.	DPM/CPS	Month 1
Commission/execute study on high-level review of Civil Service structure to identify overlaps and areas for rationalization (Ministries, Departments, Boards).	DPM	Month 1-3
Refine "Minister without portfolio" concept.	DPM	Month 3
Presentation and report to Cabinet overall structure recommendations.	DPM/CPS	Month 3
Develop action plan for implementing agreed priority structural rationalizations (6-12 main overlaps).	DPM	Month 4
Implement priority structural changes and rationalizations.	DPM	Month 7-12
Commence full rationalization.	DPM/CPS	Month 16-.......
Abolish surplus non-departmental bodies.	DPM/CPS	Month 16-18
Introduce non-traditional management structures in three pilots (e.g. flat management structures).	DPM	Month 19-24
Decentralisation		
Identify legal issues of District focus.	DPM	Month 1
Commission/execute study on local government and district legal framework and district overlaps.	DPM/MLG	Month 1-3
Set out new policy on decentralisation and local government (including target for proportion of Civil Service to be based centrally in Nairobi).	DPM/MLG	Month 9-12
Serve Cabinet approval to new policy.	DPM/MLG/CPS	Month 13-15
Reduce overlaps.	DPM/MLG	Month 16-18
Secure legal changes.	MLG	Month 16-18
Achieve decentralisation of Nairobi based staff.	DPM/MLG	Month 19-......
Set in place clearer framework for effective decentralisation.	DPM/MLG	Month 19-......
Executive Agencies		
Develop criteria to identify executive agencies.	DPM	Month 9
Identify five potential executive agencies based on criteria	DPM/CPS	Month 10-12
Commission/execute study on management framework for executive agencies (financial management; performance management; management structure; staffing needs and budget; personnel and financial management discretion; system needs; legal/administrative positions; government liabilities).	DPM	Month 13-15
Set objectives and accountabilities for first three executive agencies.	DPM/	Month 16-18
Commence separation of executive agencies.	Parent/Ministry	Month 19-21
Run training for parent ministries in contract management.	Parent/Ministry	Month 19-21
Run management training for executive agencies.	DPM	Month 19-21
Complete setting up of first three executive agencies.	DPM	Month 22-24
Launch ongoing programme to monitor and evaluate pilots, identify new candidates and set up new agencies.	Parent/Ministry DPM/CPS	Month 25-27
Experiment with different models.	DPM	Month 28......
Contracting Out		
Commission/execute study to identify candidates for contracting out of service wide functions (using results of functional reviews); and to develop and evaluate models and options for contracting out of services.	DPM	Month 7-9
Undertake preparatory work to set up two identified services on a commercial basis.	DPM	Month 10-11
Contract out services in two identified areas (competitive tendering between commercialized "in-house" supplier and other supplies).	DPM	Month 12-18
Identify further areas for contracting out.	DPM	Month 21-3
Restructure services and issue tenders.	DPM	Month 24-29

Staffing Levels Safetynet		
Commission/execute safety net study	DPM	Month 1-3
Develop recommended option from study and safeguards	DPM	Month 4-6
Set up unit to administer safety net scheme and payments, and monitoring arrangements and system	DPM	Month 7-9
Publicise safety net scheme to targeted Civil Service workers (Circulars, workplace, meetings, mass media).	DPM	Month 10-12
Commence processing of applications under the scheme	DPM	Month 16-18
Review performance of scheme against targets	DPM	Month 19-21
Refine scheme of relaunch	DPM	Month 19-21
Launch refined scheme	DPM	Month 22-24
Staffing Control		
Analyse and reconcile existing data on stocks and flows (manual and computerized census result; payroll and personnel).	DPM	Month 1-3
Analyse effectiveness and appropriateness of existing establishment and recruitment controls.	DPM	Month 1-3
Identify short-term measures to tighten establishment and recruitment controls (e.g. Establishment Committee) and quality of data.	DPM	Month 1-3
Implement short-term recruitment and establishment controls.	DPM	Month 1-3
Design and implement establishment control management information system	DPM/MOF	Month 10-15
Downsizing		
Translate overall annual 6% reduction target to specific targets for each Ministry/department/Board/Districts.	DPM/MOF	Month 1-3
Model impact of natural attrition, recruitment control, retirement, deletion of vacancies, redeployment of staff not in established posts on target achievement.	DPM	Month 1-3
Inform Ministries etc to target and impact of other measures.	DPM	Month 4-6
Delete vacant posts (selective)	DPM/MOF	Month 7-12
Redeploy staff not in established posts	DPM	Month 10-24
Set up unit and system to monitor compliance of achievement against targets by Ministries etc.	DPM/MOF	Month 10-24
Refine Civil Service wide formular reduction of 6% to more specific and targeted reductions for each ministry etc as bottom up data on comparative levels of overstaffing becomes available (functional reviews, job inspections).	DPM/MOF	Month 25.....
Functional Norms		
Undertake functional reviews to establish basic functional norms for significant groups (e.g. cleaners, drivers, guards A-E).	DPM	Month 1-6
Work with Ministries etc to identify and agree surpluses	DPM	Month 7-9
Commence retrenchment of surplus staff	DPM	Month 10-24
Professional Norms		
Launch targeted programme of job inspection focused on ten significant Ministries etc.	DPM	Month 4-9 and then ongoing
Undertake six specific exercises to develop staffing norms for sizeable groups of staff (e.g. MOH).	DPM	Month 10-12
Extrapolate from job inspection and staffing norm results to define technical/professional norms in wider range of units.	DPM	Month 10-13
Extend job inspection/staffing norm programme.	DPM	Month 16......

Payroll Reform

• Identify and implement short-term MIS and payroll administration and security enhancements	DPM/MOF	Month 1-3
• Apply for funding	DPM/MOF	Month 1-3
• Execute short-term improvements in payroll control	DPM/MOF	Month 4-6
• Eliminate ghost workers	DPM/MOF	Month 4-6
• Enforce payment of civil servants through the payroll		
• Commission study to review payroll administration, security, hardware and software and management information requirements	DPM/MOF DPM/MOF	Month 4-6 Month 9-12
• Decide on upgrade/enhancement of payroll system or new system	DPM/MOF	Month 13-15
• Prepare request for funding	DPM/MOF	Month 16-18
• Request funding	DPM/MOF	Month 19-24
• Secure technical assistance	DPM/MOF	Month 25-30
• Manage enhancement/upgrade or installation of new system	DPM/MOF	Months 25......

3.   Pay and Benefits

Pay Policy and Housing		

• Commission/execute study to support identification of Government pay policy.
    - Identify 6-8 at risk groups; market rates; target decompression ratios;
    - Monetisation of allowances, costings and options
	DPM	Month 4-6

• Commission/execute study on housing benefits (cash and housing).	DPM	Month 4-6
• Paper to Cabinet on Government pay policies, monetization; approaches to housing.	DPM	Month 4-6
• Publicise decision and seek to generate understanding of and commitment to change.	DPM	Month 7-9
• Restrict Government leasing of private property.	DPM	Month 1-3
• Draw up Government housing stock disposal/retention criteria and disposal guidelines and programme	DPM	Month 4-6
• Commence disposals	DPM	Month 10 and ongoing
• Prepare new pay structure (simplified pay scale and increment structure, simplification and monetisation of allowances, stretching of incentives for target groups	DPM	Month 16-18
• Develop implementation and conversion plan	DPM	Month 19-20
• Implement new pay structure	DPM	Month 22-27

4.   Personnel Management and Training

Rationalise Agencies • Review responsibilities for personnel management of different agencies • Continue planning further rationalization of personnel agencies to strengthen Civil Service personnel management • Consider legal actions required to secure further rationalization. • Secure any legal changes required. • Implement plan for further rationalization of agencies. **Personnel Procedures** • Review and develop recruitment and retention strategies from senior at risk groups • Review organisation of personnel management and decentralisation options • Decentralise functions identified under review (e.g. discipline) • Implement decentralized Ministry level manpower planning and personnel management. • Review "private business" regulations to eliminate conflicts of interest" **Schemes of Service** • Launch programme to review, simply and rationalize class and grade structures • Implement agreed recommendations • Review schemes of service to strengthen ability to deploy resources optimally to meet needs • Develop model schemes of service and guidelines for entry and progression (linked to appraisal) • Distribute model to ministries • Review Ministry draft and implement **Top Management Structure** • Develop proposals for simplifying (flattening) the top management structure • Secure approval and implement recommendations • Commission/execute study to examine options for strengthening the open structure for senior posts • Launch exercise to increase number of applicants for and appointments to, senior posts from outside the Civil Service (including use of performance contracts, secondments). **High fliers** • Commission/execute study on options for accelerated management development ("high fliers") scheme • Secure approval to scheme developed • Design pilot scheme • Implement pilot scheme • Review scheme and refine/expand as appropriate		

Training		
• Commission/execute study to review training needs for 6-8 priority groups of employees	DPM	Month 4-6
• Design and deliver short courses for key groups	DPM	Month 7-12 and ongoing
• Commission/execute study to undertake training needs analysis to meet the management and operational needs of the service and to review Civil Service training institutions	DPM	Month 4-6
• Launch programme to set appropriate training institutes up as demand driven autonomous, self-financing bodies to set up institution building programmes for a number of training institutes; and to develop programme and course content for a number of institutions	DPM	Month 13-24
• Reduce preservice training	DPM	Month 7-9

5. Financial and Performance Management		
Financial Management	DPM/MOF	Month 1-3
• Develop concept of and identify management units across the Civil Service	DPM/MOF	Month 4-6
• Identify a specific named officer as Head of each Management Unit	DPM/MOF	Month 4-6
• Disaggregate manpower and O&M budgets to management unit level		
• Devolve budgets and management responsibilities to Heads of Management Units	DPM/MOF	Month 7-9
• Introduce new budgets system and procedures based on new arrangements	DPM/MOF	Month 10-15
• Introduce MIS to support new management arrangements	DPM/MOF	Month 12-15
• Review expenditure and provision on O&M (and trends over last 5 years).		
• Review expenditure arrangements between Personal Emoluments and O&M	DPM/MOF	Month 1-3
• Examine areas of overspend in Personal Emoluments and O&M	DPM/MOF	Month 10-12
• Develop strengthened control measures together with sanctions for controlling and eliminating overspending	CPS/DPM/MOF	Month 1-3
• Review and prioritise recurrent projects	CPS/DPM/MOF	Month 1-3
• Identify non-essential projects	DPM/MOF	Month 4-6
• Reduce/consolidate projects	DPM	Month 7-12
	DPM	Month 22-24
Performance Management		Month 19-21
• Commission /execute study on organisation level performance management (management by objectives) linked to BRP and PIP		
• Implement organizational performance management system (including setting objectives and targets, reviewing performance and producing annual report on performance in 6 pilot organizations)	DPM	Month 22-24
• Launch organizational performance housing schemes linked to achievements of organizational objectives in 2/3 of the 6 pilots	DPM	Month 25-30
	DPM	Month 10-12
• Commission/execute study on use of qualitative and quantitative performance indicators in the civil service.	DPM	Month 13-18
• Implement performance indicators in the 6 pilots.		
• Extend organizational performance management system to all Ministries etc.	DPM	Month 25-30
Performance Appraisal		
• Refine performance appraisal scheme to link it into organisation performance and management system		
• Implement refined individual performance appraisal scheme linked to organizational performance management system in 6 pilots		
• Develop options for linking pay to performance under refined performance appraisal scheme	DPM	Month 31-36
• Implement performance related pay in 2/3 of the 6 pilots	DPM	Month 37-42
• Extend refined individual performance appraisal scheme to all ministries etc	DPM	Year 2 and then ongoing
Management Reviews		
• Complete first three management reviews		

Source: DPM, Civil Service Reform Programme and Action Plan 1992-1997, May 1992

Performance Improvement in the Public Service
Action Plan

Main Activities	Sub Activities		Actors	Time-Frame	Performance Indicators/Output	Critical Assumptions
		1. Ministerial Rationalization				
a) Refinement of core-functions, policy priorities and strategic objectives	i)	Develop criteria for refining the core-functions.	• DPM, Ministries Departments and MoF&P	August, November, 2001	• Consensus on core-functions, policy priorities and strategic objectives	• Government approval
	ii)	Review the identified core-functions, policy priorities and strategic objectives.				
	iii)	Hold consultative meetings between DPM and Ministries to deliberate and agree on:				
	-	Core-functions				
	-	Policy priorities, and strategic objectives				
b) Elimination of overlapping/duplicating functions and transfer of functions	i)	Review of functions that overlap/duplicate between Ministries/departments.	• DPM, Ministries/Departments	August-November 2001	• Elimination of overlapping/duplicating functions.	• Government approval
	ii)	Review of functions recommended for transfer.			• Functions transferred.	
	iii)	Hold consultative meetings between DPM and Ministries/departments to resolve the overlaps/duplication of functions.				
	iv)	Seek Government approval for transfer of functions.				
c) Abolition of Non-Core functions	i)	Review status of functions identified for abolition against the retrenched staff.	• DPM/Ministries/Departments	August – November 2001	• None-core functions abolished	• Government approval
	ii)	Hold consultative meetings between DPM and Ministries/departments to deliberate and agree on the functions/institutions for abolition.				
	iii)	Identify staff still holding positions/functions identified for abolition.				
	iv)	Seek Government approval for abolition of functions.				
d) Privatization of Functions	i)	Review of functions recommended for privatization.	• DPM/ Ministries/ Departments,	October 2001 – March 2002	• Report on functions to be	• Government approval

Main Activities	Sub Activities		Actors	Time-Frame	Performance Indicators/Output	Critical Assumptions
	ii)	Undertake feasibility studies for functions identified for privatization.	MoF&P, PSC, Attorney General and		privatized.	granted.
	iii)	Develop exit plans for functions to be privatized.	• Technical Assistance		• Exit Plans • Staff retrenched.	• Availability of funds.
	iv)	Develop legal framework for functions identified for privatization.				
	v)	Seek Government approval to privatize the recommended functions.				
	vi)	Retrench staff performing functions identified for privatization.				
e) Commercialization of Functions	i)	Review of functions recommended for commercialization.	• DPM, Ministries/ Departments, MoF&P	October 2001-March 2002	• Report on functions to be commercialized.	1. Government approval
	ii)	Undertake feasibility studies for functions to be commercialized.	• Technical Assistance		• Functions commercialized	
	iii)	Seek Government approval to commercialize.				
f) Establishment of Semi-Autonomous Government Agencies	i)	Re-examine functions/institutions recommended for SAGA Status.	• DPM, Ministries/ Departments, Attorney General	• October 2001 – March 2002	• Report on functions to be performed under SAGA status.	• Government approval
	ii)	Undertake feasibility studies for functions recommended to be performed under SAGA status.	• Technical Assistance		• SAGAs established	
	iii)	Development of legal framework for establishment of SAGAs.				
	iv)	Prepare modalities for establishment of SAGAs.				
	v)	Seek Government approval for establishment of SAGA's.				
g) Review of Organisational Structures	i)	Re-examine the proposed organizational structures.	• DPM, Ministries. Department	September 2001-December 2002	• New Ministerial/ departmental organizational structures	• Government approval
	ii)	Hold consultative meetings between DPM and Ministries/departments to determine and agree on the proposed organisational structures.	• Technical Assistance			
	iii)	Seek Government approval to implement the new structures.				
	iv)	Implement the approved organizational structures.				
h) Contracting-Out of Functions	i)	Review of functions recommended for contracting out.	• DPM, Ministries. Departments, Attorney General's Office, PSC, MoF&P	April 2002 – December 2002	• Report on functions to be contracted-out.	• Government approval granted.
	ii)	Undertake feasibility studies for functions identified for contracting out.			• Exit plans. • Staff retrenched.	• Availability of funds
	iii)	Develop exit plans for functions to be				

87

Main Activities	Sub Activities		Actors	Time-Frame	Performance Indicators/Output	Critical Assumptions
		contracted out.	• Technical Assistance			
	iv)	Develop legal framework for functions identified for privatization.				
	v)	Seek Government approval to contract-out the recommended functions identified for contracting out.				
	vi)	Retrench staff performing functions identified for contracting –out.				
2. Staff Rationalization						
a) Staff deployment/ redeployment	i)	Re-examine optimal staffing levels by cadre and functional units.	• DPM. Ministries/ Departments	September 2001 – June 2002	• Report on Optimal Staffing levels. • Staff imbalances eliminated	
	ii)	Determine areas of staff deficits and surpluses.				
	iii)	Effect staff deployment/redeployment				
b) Staff Complement Control and Payroll Management	i)	Strengthen Payroll Audit Teams in Ministries/departments.	• DPM Ministries/ Departments, MoF&P	August 2001 – June 2004	i) Operational IPPD System	iii) Availability of funds
	ii)	Operationalize IPPD System across the entire Civil Service.	• Technical Assistance		ii) Clean Payrolls	
c) Development of Retirement Programmes	i)	Design a retirement programme for civil servants.	i) DPM Ministries/ Departments, MoF&P and	Continuous	• A retirement programme for retirees in place	• Availability of funds
	ii)	Pilot the retirement programme for all the retirees.				
	iii)	Maintain a data bank of skills and expertise of the retirees.	ii) Technical Assistance			
3. Pay and Benefits Reform						
a) Pay and Benefits Policy	i)	Development of a Medium Term Pay and Benefits Policy.	• DPM. MoF&P, Ministries/ Departments	July 2001 – June 2004	• Pay and Benefits Policy developed	• Government approval
	ii)	Implement phase II of the Kipkulei's Commission recommendations on Housing Allowances.				
	iii)	Provide a unified framework for pay, terms and conditions of service to all public servants.				
	iv)	Introduce a flexible approach that relates remuneration to qualifications, skills and performance				
b) Pensions Reforms	i)	Review pensions legislation framework.	• MoF&P, DPM, Retirement Benefits Authority (RBA).	July 2001 – June 2004	• Contributory pension scheme	• Government approval
	ii)	Undertake an actuarial study on the current pensions scheme.				
	iii)	Transform the current pension's scheme from a non-contributory to a	• Technical			

Main Activities	Sub Activities		Actors	Time-Frame	Performance Indicators/Output	Critical Assumptions
		contributory pensions scheme.	Assistance			
c) Medical Benefits	i)	Commission and actuarial study to determine viability for introducing a Medical Insurance Scheme for public servants.	• DPM • NHIF • MoF&P • Technical Assistance	July 2001-June 2004	• Medical Insurance Scheme	• Government Approval
	ii)	Introduce a Medical Insurance Scheme for all public servants.				
4. Training and Capacity Building						
a) Training and capacity building policy	i)	Development of a Training and Capacity Building Policy.	• DPM, Ministries/ Departments. MoF&P. • Technical Assistance	July 2001 – June 2002	• Training and Capacity Building Policy	• Government approval. • Availability of funds
	ii)	Undertake Training Needs Assessment.				
	iii)	Implement demand driven, cost effective in-service training.				
	iv)	Increase the capacities of Government training institutions.				
	v)	Increase funding allocation to training programmes.				
5. Performance Improvement Programmes						
a) Introduction of results oriented management (ROM)	i)	Undertake Service Delivery Surveys (SDS).	• DPM, Ministries/ Departments, PSC • Technical Assistance	July 2001 – June 2004	• Reports on Service Delivery Surveys. • Service Delivery Charters. • Service Delivery Standards and Benchmarks. • WITs in place. • Fully operational staff appraisal system. • Report on Job Evaluation. • Performance Contracts in place. • High Fliers Scheme in place.	• Consensus of Ministries/ Departments
	ii)	Develop service delivery standards and benchmarks.				
	iii)	Develop service charters.				
	iv)	Introduce annual work programmes and plans.				
	v)	Introduce Work Improvement Teams (WITs).				
	vi)	Implement the new Performance Appraisal System.				
	vii)	Develop an appraisal instrument to cater for civil servants in the lower grade.				
	viii)	Review annual increment pay awards to link to satisfactory annual appraisal.				
	ix)	Undertake Job Evaluation throughout the Civil Service.				
	x)	Introduce Performance Contracts for selected senior staff in the Public Service.				
	xi)	Introduce a high-fliers scheme for talented staff in the Civil Service.				
6. Reform of Statutory Organisations						
a) Reforming the	i)	Rationalize functions, structures and	• DPM Statutory	July 2001 –	• Rationalised	• Government

Main Activities	Sub Activities		Actors	Time-Frame	Performance Indicators/Output	Critical Assumptions
Statutory Organisations		staffing of statutory bodies.	Organisations.	June 2004	structures.	approval.
	ii)	Develop and implement staff retrenchment programmes for excess staff.	MoF&P, Ministries • Inspectorate of State Corporations		• Surplus staff retrenched	• Availability of funds
b) Reforming the Education Sector	i)	Deepen the rationalization process of Educational Institutions and Public Universities.	• DPM • Public Universities Educational Institutes • CHE	July 2001 – June 2003	• Rationalized structures and operations	• Government approval
	ii)	Undertake further staff retrenchment of excess staff.			• Surplus staff retrenched	• Availability of funds
	iii)	Introduce differentiated unit costs for academic programmes.				
	iv)	Develop a comprehensive strategy on Educational Sector Reform.				
c) Reforming cultural and social service providers	i)	Undertake reviews of functions, structures and staffing to consider the viability and validity of the cultural and social service providers.	• DPM, Institutions, Ministries/ Departments	July 2001 – June 2004	• Rationalized structures and operations. • Surplus staff retrenched	• Government approval
7. Management of the Recurrent Budget						
a) Improving Management of the Recurrent Budget	i)	Linking budget estimates to core activities under the MTEF budgetary process.	• Ministries/ Departments. MoF&P	July 2001 – June 2004	• PE and O&M ratio of 60:40 attained	
	ii)	Developing staffing and O&M costing norms and relate allocation proposals to demonstrated needs and outputs.				
	iii)	Shifting of savings from PE to boost O&M.				
	iv)	Introduction of penalties to curb financial indiscipline.				
8. Information Technology						
a) Developing Information Technology Policy	i) ii) iii) iv)	Develop a Government IT Strategy. Develop a technical framework for Government wide IT architecture. Capacity building to staff on usage of IT. Develop a national information infrastructure.	• MoF&P, Ministries/ Departments	September, 2001- June 2002	• IT Strategy Information Technology Policy in place by June 2002.	• Government approval
b) Reforming Public Financial Management	i) ii)	Computerize manual systems of information management. Introduce IPPD System to streamline establishment control, payroll administration and personnel	• DPM • MoF&P • Ministries/ Departments • Technical	September 2001 – June 2004	• Operational IPPD • Computerized Information Management • Operational	• Availability of Resources

Main Activities	Sub Activities	Actors	Time-Frame	Performance Indicators/Output	Critical Assumptions
	emoluments budgeting. iii) Introduce the Financial Management Information System to provide timely and accurate control of financial expenditures and expedited accounting and audit.	Assistance		Financial Management Information System	

Source: DPM, *A Strategy for Performance Improvement in the Civil Service, June 2001*

CIVIL SERVICE REFORM PROCESSES AND MODELS
QUESTIONNAIRE

This questionnaire is designed to collect views on the reform management process of the Civil Service Reform Programme which has been implemented by the Government since 1993. Your honest views and opinions will assist the researcher to come up with useful information on the reform management process of the public sector. The results will be of interest to the Government, Scholars and Practitioners.

Section A

Name ....

Position ....

Your role in the CSRS...

Section B: Forces of Reforms and Strategic objectives

1.   Please list the forces that necessitated the Civil Service Reforms:

a)   ....

b)   ....

c)   ....

d)   ....

2.   Please list policy regimes that have influenced the reforms?

a)   _____

b)   _____

c)   _____

3.   Please list the strategic objectives of the reforms?

....

....

Section C: Approach to Reform

1.   Please describe the approaches to the reforms

....

....

2.   To what extent have the reforms been pre-planned?

a)   Fully   ☐

b)   To a great extent ☐

c)   Little   ☐

d)   Not at all   ☐

Please explain...

3.   Have Consultants been involved in the reform programme?

Yes   ☐

No   ☐

Please explain their involvement..

4.   To what extent have individual Ministries been allowed to initiate and implement reform activities?

a)   Not at all   ☐

b)   To a little extent ☐

c)   To a large extent ☐

d)   In all instance   ☐

5. To what extent have the reforms been initiated by staff (heads of units, sections, departments)?
   a) Not at all ☐
   b) To a little extent ☐
   c) To a large extent ☐
   d) In all instance ☐

Section D: Reform Content

1. Please list the reform areas and its content
   a. _____
   b. _____
   c. _____

2. Has the reform programme affected structures, systems, processes and behaviour?
   Yes ☐
   No ☐

3. Please list the specific elements of the reforms affecting strategies, structures, systems, processes and behaviour
   a)..
   ....
   b)..
   ....
   c)..
   ....
   d)..
   ....

Section E: Change Management Processes

1. Please describe the change management process during the planning and implementation stages?
   a. Planning..
   b. Implementation..

2. How was urgency momentum built to get employees to cooperate and participate in the reform
   ....
   ....

3. Was a vision developed?
   Yes ☐
   No ☐
   Explain..

4. Was a strategy developed?
   Yes ☐
   No ☐
   Explain..

5. Please describe the process for vision development stating those who were involved?
   ....
   ....

6. Please describe the process for strategy development stating those who were involved
   ....
   ....

7. How was the vision communicated to all those involved in the reforms programme?
....
....

8. How was the strategy communicated to all those involved in the reform programme?
....
....

9. Were there specific teams mandated the responsibility to implement the reforms?
   Yes ☐
   No ☐

10. Please describe the process of team formation and the characteristics taken into account in picking members?
....
....

11. What was the role and powers of the teams?
....
....

12. How were those involved in the reform process empowered?
....
....

13. What steps have been taken to ensure that the reform momentum is achieved and maintained?
....
....

14. Did you have short-term targets to monitor the reforms?
   Yes ☐
   No ☐

15. Were those who achieved such targets rewarded?
   Yes ☐
   No ☐

16. Are those currently promoted and hired screened for their disposition to support reforms?
   Yes ☐
   No ☐

17. How does top management indicate their support for the reform programme and activities?
....
....

18. What level of resource were allocated to the reform programme?
....
....

Section F: Factors that have influenced the reform outcome
1. Please list in order of importance, the factors that have influenced the reform performance (Focus on resistance, culture, stakeholder politics, teamwork, leadership, funding)
   a) ....
   b) ....
   c) ....
   d) ....

2. Please list in order of importance the achievement of the reform programme?
   a. ....
   b. ....
   c. ....