

The Republic of Kenya
Ministry of Labour, Social Security and Services
Productivity Centre of Kenya

THE PROJECT ON
PRODUCTIVITY IMPROVEMENT
IN THE REPUBLIC OF KENYA

FINAL REPORT

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Executive Summary

Part I. Outline of the Project

The Government of Kenya launched a long-term national development plan, Kenya Vision 2030, in 2008. The Vision acknowledges that productivity improvement (PI) is essential in order to attain its goals and calls for establishment of a strong national framework to accelerate PI in Kenya. The first Medium Term Plan (MTP) of Vision 2030 (2008-2012) raised flagship projects to develop a productivity policy and to strengthen the institutional capacity of the Productivity Centre of Kenya (PCK), which is a solo public agency dedicated to PI under the Ministry of Labour (MoL).

Due to these circumstances, the Government of Kenya requested JICA to implement the Project on Productivity Improvement. The Government expected technical transfer to PCK in order to enrich its capacity in PI services and assist in transforming PCK into a stronger organisation. JICA agreed on a framework for cooperation with the Kenyan Government. On 16th December, 2011, they signed a Record of Discussion on technical cooperation, authorising implementation of the Project.

(Goal of the proposed plan)

- PCK's proposed role, policy, and organisational framework are implemented; the capacity of PCK in productivity improvement activities is thereby enhanced.
- Productivity improvement skills are improved through PCK's diagnosis/productivity improvement services at the client firms/institutions; and the abilities of trainers (Technical Service Providers: TSPs) are strengthened through PCK's training.

(Activities)

- (1) Study and proposal on policy, institution, and organisational building for productivity improvement
- (2) Consultation for pilot companies
- (3) Training of trainers (ToT) for Technical Service Providers (TSPs)
- (4) Study and proposal on productivity measurement
- (5) Study and proposal on productivity promotion applicable to Kenya
- (6) Productivity promotion seminar
- (7) Training and observation missions in other countries (Japan, Malaysia, Ethiopia, and Tanzania)
- (8) Joint Coordinating Committee

Part II. Study on Policy, Institution, and Organisation Building

1. Current Situation and Issues of Productivity Improvement in Kenya

1.1 Kenya Vision 2030 and Productivity Improvement

Kenya Vision 2030 aims to transform Kenya into a middle-income country by achieving an average GDP growth rate of 10% per annum. The Vision states the need to monitor productivity levels and to implement PI interventions. These tasks are expected to be undertaken by a well-established national productivity centre. In accordance with the flagship projects specified in the First MTP (2008-2012) of Vision 2030, the National Productivity Policy and the National Productivity Authority Bill were drafted. The Second MTP (2013- 2017) specifies the flagship projects related to PI, such as; i) to promote development of micro and small enterprises (MSEs), ii) to promote PI and cleaner production of small and medium enterprises (SMEs); and iii) to raise the county's productivity levels and competitiveness.

1.2 Current Status of PCK

PCK is a tripartite institution founded by MoL, FKE, and COTU in August 2002. Its mandate is to promote productivity culture for all Kenyans in order to enhance the nation's competitiveness. PCK has four technical and five supporting personnel. The Government had a plan to recruit 16 new staff members for PCK, but the recruitment process was halted due to the presidential election and the transition into the new government. However, a recently issued report from the government on reallocation of personnel within MoLSSS suggests that PCK should be staffed with 84 officers.

PCK is in charge of spearheading PI in the public and the private sector and undertakes three main activities: productivity promotion, PI (consultation), and productivity measurement.

2. Policy and Strategies towards Productivity Improvement in Kenya

2.1 The National Productivity Policy and the National Productivity Authority Bill

The National Productivity Policy aims to achieve 5% overall productivity growth per annum, and also to increase productivity awareness to 60% of the population by 2030. In order to attain these objectives, the policy states a number of actions based on the following four pillars.

In the *productivity culture pillar*, the Government shall spearhead a national productivity campaign. It also plans to integrate elements of productivity into the education curriculum. In the *labour market development pillar*, improvement of the working environment aims at sharing productivity gains between employers and employees. Moreover, it advocates strict enforcement of the Employment Act.

The technological change and innovation pillar targets facilitating higher research and development

activities. PI practice is also considered to be a key component for bringing about innovational changes. Finally, the institutional and legal arrangement pillar is set so as to establish a strong national body to spearhead nationwide PI. With the enactment of the National Productivity Authority (NPA) Bill, PCK shall be transformed into NPA, a semi-autonomous agency under MoLSSS.

With this consideration, the National Productivity Policy and the National Productivity Authority Bill were drafted and submitted to Parliament for reading in 2013, after the approval of the cabinet.

JICA Project Team assisted in revising the Policy and the Bill.

2.2 Draft Strategic Plan of PCK 2013/2014-2017/2018

Based on the Productivity Policy, the draft Strategic Plan of PCK articulates the outline of activities in 2013/2014-2017-2018. ‘*First pillar: productivity awareness and promotion*’ aims to disseminate the best practices of PI both in the public and private sectors. ‘*Second pillar: PI practices*’ aims to assist adoption of PI tools at the firm level through consultation and training. ‘*Third pillar: productivity measurement and research*’ includes the provision of productivity indices for development in the labour markets.

3. Lessons from Other Countries

3.1 Japan

Considering industrial human resource development on PI, there are various service providers in Japan both of the public and the private sectors. Among them, Japan Productivity Center (JPC) also formed national committees on PI related issues and made proposals to the Government. JPC also provided productivity indices, in order to enhance cooperation between labour and management.

3.2 Malaysia

Malaysia Vision 2020, the national development plan, aims to achieve GDP growth of 6.3% per annum. In order to achieve this, ‘growth through productivity’ is set as the priority of economic transformation. Malaysia Productivity Corporation (MPC) is a statutory body and MPC’s role, driving productivity in Malaysia, has been specified in Vision 2020 and the main economic policies. MPC has developed various programmes, in order to support PI. MPC also publishes an annual ‘Productivity Report’, to show the level of productivity and competitiveness.

3.3 Ethiopia

Efforts to disseminate KAIZEN concepts were initiated through the strong initiative of late Prime Minister Meles. The Ethiopia KAIZEN Institute (EKI) was established in 2011 in the Ministry of Industry. With the assistance of JICA, EKI has enhanced organizational capacity and now has 77 staff

trained under the JICA project. The uniqueness of KAIZEN dissemination in Ethiopia is in-depth collaboration with TVET institutions. Training and consultation services are provided to MSEs by TVET trainers. EKI provides training to TVET trainers, having MSEs as model consultancy firms.

3.4 Tanzania

A JICA project was established in 2013 together with a special task force, called the Tanzania KAIZEN Unit (TKU), in the Ministry of Industry and Trade. The Unit collaborates with the College of Business Education and the Small Industrial Development Organisation (SIDO). A potential dissemination route of KAIZEN efforts in Tanzania is the regional network of SIDO. In addition, the Tanzania Chamber of Commerce, Industry, and Agriculture also has 26 regional offices. These regional support systems can be effective in widely disseminating KAIZEN practices throughout Tanzania in the future.

Part III. Pilot Activities and Technical Transfer

1. Consultation for Pilot Companies

1.1 Basic Policy of the Activity

- (1) Consultation was implemented through 6 visits or more by the JICA experts and PCK consultants. PCK consultants made some visits by themselves when a JICA expert was not in Kenya.
- (2) 12 pilot companies were included, consisting of 6 companies in both the 1st and the 2nd year.
- (3) Half of the pilot companies were ‘manufacturing SMEs’. They also included a few companies with well-established administrative structures, in order to give consultant C/Ps the opportunity to learn.
- (4) Some of the companies in the ‘agro-processing industry’ and one company in the ‘service industry (tourism)’ were included, because they were among the thrust industries of the national policy.
- (5) ‘Japanese-related companies’ were also included, based on a suggestion from the Japan Embassy and JICA. The companies were shortlisted based on the recommendation of JICA/JETRO.

1.2 Consultation Methodology

KAIZEN based on TPS was the methodology used in the consultation for pilot companies in this Project. TPS has been applied to companies and organisations all over the world and is believed to be a practical and effective method of improving productivity both in the manufacturing and service sectors.

1.3 Implementation of Consultation

12 companies which met the criteria were selected as pilot companies. Among the pilot companies

selected for the 1st and 2nd year, there were three companies which had the business relation with Japanese companies.

The consultation themes were decided according to the priority issues of the companies. The themes included ‘implementation of 5S,’ ‘productivity improvement in a specific production process,’ ‘improvement of machine maintenance,’ etc. There were differences in the results, for various reasons, including commitment of top executives, degree of difficulty of the themes, etc. The average improvement ratio¹ was 106% for the 1st year and 228.9% for the 2nd year.

1.4 Results of Capacity Development of PCK Consultants

Consultation skills in PI was transferred through ‘CP training in the classroom,’ ‘Consultation activities for pilot companies,’ ‘C/P meetings for sharing consultation experience and additional training,’ and ‘Observation of ToT’. In addition, the C/Ps made consultation reports and case sheets².

As a result of the training, four CPs have become capable of conducting consultation on PI. In addition, they have been sufficiently able to train new staff in consultation skills.

1.5 Development of Consulting Manuals and Case Sheets

Consulting manuals were made. In addition, 148 case sheets, which include the objective of the improvement, measures taken, results of improvement, and photos before and after, were completed.

2. Pilot Training of Trainers (ToT) for Technical Service Providers (TSPs)

2.1 Selection of TSPs Participating in ToT

Based on the study on main TSPs related to PI, 8 organisations were selected as TSPs which the JICA-PCK Team would invite for the ToT. In addition, some of the ministries and public agencies related to PI were also invited, in order to train their officers who were the trainers in the organisations.

2.2 Implementation of ToT

(1) KAIZEN based on the Toyota Production System (TPS)

[Objectives] To obtain practical capabilities as trainers for implementing KAIZEN and waste elimination at the worksite, based on the Toyota Production System (TPS) methods

[Duration & Participants] 10 days (60 hours)

First Batch: 8th -19th July, 2013, with 19 participants

¹ The ratio includes various improvement ratio, such as the improvement ratio of labour productivity (production amount/man hour), space productivity (production amount/space used), 5S level (5S assessment before and after), delivery time, etc.

² Case sheets are the documents which show the details of consultation activities by KAIZEN theme in 12 companies

Second Batch: 4th -15th November, 2013, with 19 participants

(2) 5S Internal Assessment

[Objectives] To obtain practical capabilities as trainers for implementing 5S internal assessment and making proposals to improve the level of 5S activity

[Duration & Participants] 5 days (30 hours)

First Batch: 14th -18th October, 2013, with 18 participants

Second Batch: 5th -11th December, 2013, with 15 participants

2.3 Results of ToT

According to the results of the questionnaire given to the participants³ conducted three to six months after both ToT sessions, 9 trained participants have held 21 outside seminars or training programmes, and trained 1,829 people, by utilising the results of the ToT. In addition, 11 participants have implemented consulting services in 21 companies and they achieved good results such as ‘productivity has increased’ and ‘the workplace has become neat and clean through 5S’.

2.4 Development of Training Materials and Manuals for ToT

Training materials for two ToT sessions were made. And manuals which include necessary procedures, notifications, and evaluation questionnaires were also developed.

2.5 Creation of a TSPs Database

The database of TSPs was created. The number of ‘consultants/trainers’ input into the database is 96. PCK can utilise the database when PCK would like to search the appropriate consultants/ trainers and contact them.

3. Study on Productivity Measurement

The provision of productivity indices is the important mandates of PCK. The basic intentions of the three stakeholders, namely FKE, COTU, and MoLSSS, were that PCK would provide reliable, neutral, and consistent productivity indices useful for formulating PI related policies and determining wages.

3.1 Availability of Basic Data for Productivity Measurement

The availability of accurate basic data is crucial for providing reliable productivity indices. Various issues were identified in order to improve the quality of productivity indices.

³ The questionnaire was implemented for the participants who joined two programmes held before 31th October 2013.

3.2 Improvement of ‘Productivity Statistics’ and Technical Transfer to PCK C/Ps

Based on the review of the current ‘Productivity Statistics’ and the findings from the data available from KNBS, the JICA expert proposed the contents of ‘Productivity Statistics 2013’. The expert also trained PCK staff on calculation, analysis, and reporting on productivity indices.

3.3 Workshop on Productivity Indices

In order to improve the quality of ‘Productivity Statistics’ from the viewpoint of the users, a workshop on productivity indices was held twice, on 2nd February and 1st August, 2013, by inviting the main stakeholders in productivity indices, namely FKE, COTU, MoLSSS, and KNBS.

3.4 Sensitisation Programme on Productivity Indices

According to the needs of both FKE and COTU, the JICA-PCK Team implemented sensitisation programmes on productivity indices for FKE and COTU. As a result of implementing the programmes, the understanding of the key members of FKE and COTU of productivity concepts and indices was deepened. PCK’s role in productivity measurement, namely the provision of neutral and reliable productivity indices, was understood by both members.

3.5 Recommendation for Improving the Quality of ‘Productivity Statistics’

Based on the study and pilot activities, the JICA project team made the following two recommendations.

- (1) Setting Up a Research Group
- (2) Improving the Function of Disseminating ‘Productivity Statistics’

4. Productivity Promotion Applicable to Kenya

In this Project, applicable methods to promote PI in Kenya were studied. It is believed that the widespread adoption of 5S methodology will raise the level of both productivity and quality in Kenya, as well as speeding up the implementation of PI. One of the best practices in promoting 5S is found in Malaysia, the so-called 5S/QE Certification system.

4.1 Introduction of 5S Sensitisation in Malaysia

The Malaysia Productivity Corporation (MPC) has been disseminator of 5S/QE best practice in Malaysia, and 5S spread quickly once MPC introduced 5S Certification in the 1990s. As of December 2012, 1,286 organisations have obtained QE/5S Certification. An increase of 34% from 431 companies in 2011 to 577 companies in 2012 was recorded. The 5S/QE initiative has been the foundation for continuous improvement in operations, as well as inculcating a productivity culture in an organization in Malaysia.

4.2 Findings in Kenya – Needs for 5S Sensitisation

Studying the successful case of 5S sensitisation in Malaysia, PCK showed the intention to promote 5S. All of the 12 pilot companies in this Project started 5S activities and sustained them. Based on 5S, most of the pilot companies have implemented further PI activities. Moreover, according to the results of the questionnaire study on 5S, most of PCK's clients companies showed their intention to apply 5S Certification if it was established. The main reasons were that '5S Certification can motivate managers/workers to sustain PI activities' and 'Our reputation is improved by 5S Certification'.

4.3 5S Sensitisation Strategies in Kenya

Based on the results of the previous activities, 5S sensitisation strategies are proposed⁴.

5. Productivity Promotion Seminar

In order to introduce the results of the Project, including consultation for pilot companies, and contents of 'Productivity Statistics', the productivity promotion seminar was implemented twice on 13th February 2013 and on 28th January 2014.

In two seminars, there were more than 400 participants in total, which proved the high interest of the people in productivity-related topics. It was also noted that the contents of both seminars were introduced in various media (KBC News, radio, newspapers, internet media, etc.).

Part IV. Priority Action Plans and Recommendation

1. Priority Action Plans (PAPs)⁵

Based on the study and the pilot activities in this Project, 10 PAPs are recommended to be implemented in order to concretise implementation of the flagship projects relating to PI in Vision 2030 and the National Productivity Policy.

The first pillar, *Productivity Awareness Promotion*, aims to raise awareness of PI tools and concepts up to 60 % of the population as stated in the National Productivity Policy. Establishment of a strong coordination body, the National Committee on Productivity is the first item on the agenda for the national productivity campaign. Productivity sensitisation has to be targeted at various levels of people in addition to sensitisation of managers and workers both in the public and the private sectors. Furthermore,

⁴ The details are explained in 'PAPs- 9) Implementing 5S Sensitisation'

⁵ Individual PAPs are explained in detail in the 10 separate tables.

integrating productivity concepts and tools into education curriculum should be realised from an early age of education. Proposed PAPs in the first pillar are:

- 1) Implementing national productivity campaigns
- 2) Integrating the productivity concepts and tools into the education curriculum

As demand for PI increases in the first pillar, the second pillar, *Productivity Improvement Practices*, involves activities for supporting actual enhancement in PI. All the pilot companies of the Project have started 5S activities, and the companies initiated further PI activities with 5S activities as the basis. Therefore, there is sure to be essential and strong demand for PI at the firm level as well as the training of trainers (ToT). In addition, PI in the public sector also has to be targeted. Moreover, in line with the Second MTP of Vision 2030, special attention needs to be paid to MSEs and the counties. Proposed PAPs to enhance PI practices are:

- 3) Increasing the number of PI experts
- 4) Developing the materials for PI best practices and PI tools
- 5) Enhancing consultation services on PI at the firm level
- 6) Providing packaged PI managerial training/guidance to MSEs
- 7) Enhancing training and consultation services on PI to the public sector
- 8) Increasing the counties' productivity levels and competitiveness
- 9) Implementing 5S sensitisation

Then the third pillar, *Productivity Measurement and Research*, shall monitor and evaluate the overall outcome of the PAPs and the National Productivity Policy. In this Project, the necessity of constant provision of reliable and objective productivity indices was confirmed. PCK bears the main responsibility for providing the productivity indices with the assistance of KNBS. In addition, in order to enhance sound labour-management relations, sensitisation towards the productivity indices for both the employers and the trade unions is essential. The proposed PAP in the third pillar is:

- 10) Improving the supply and use of productivity statistics.

2. Recommendation

Based on the results of this Project, the JICA Project Team recommends further implementation of PI activities in Kenya as outlined below.

2.1 Enactment of the National Productivity Authority Bill and Establishment of the National Committee on Productivity

In order to enhance productivity and competitiveness in Kenya, the Government of Kenya is requested to facilitate quick reading and enactment of the National Productivity Authority Bill, which authorises the

transformation of PCK into NPA. The National Committee on Productivity should be established with representatives from related ministries, industries, trade unions, and professionals. It is recommended that the Committee be chaired by the highest level of government, like the case in Ethiopia.

2.2 Increasing the Number of PCK Staff to Meet the Growing Needs of Stakeholders

In order to meet these expectations and sustain the results of the Project, the number of PCK technical staff has to be enlarged very urgently without waiting for enactment of the National Productivity Authority Bill.

2.3 Continuation of the Capacity Development of Technical Officers of PCK

In terms of capacity development of consultants on PI, the core capacity developed in this Project is to apply 5S and KAIZEN to actual factories or offices. Based on technical knowledge required for solving problems at the workplace, applicability is enriched through the experiences in pilot companies. Knowledge based on experiences is confirmed by making a report and summarising good practices as case sheets. This cycle of capacity development should be maintained.

2.4 Enhancement of the Network with Ministries and Social Partners

Various networks have been developed through implementation of the Project. The involvement of various agencies and social partners improves the quality of activities. In addition, the involvement of partners often guides PCK into new activities. It is important to maintain and enhance the network with ministries and social partners so as to implement the priority actions.

2.5 Strengthening the Support System in the Counties

In four countries, namely Japan, Malaysia, Ethiopia, and Tanzania, there are permanent regional agencies supporting industry in the localities with properly staffed technical officers. In contrast, the support system in the counties in Kenya currently seems fragmented. It is suggested that the Government of Kenya undertake a study on designing a more integrated organisational structure to support the industries at the county level.

2.6 Standardisation of the Cycle of Company Assistance, Promotion Seminar and ToT

In order to enhance productivity improvement in Kenya, it is essential to create more successful cases of productivity improvement by 1) company assistance (consultation). With variety of many successful cases, the quality of 2) productivity promotion seminar is improved, which creates more demand for 1) company assistance. For consultants/ trainers, more experiences in 1) company assistance enhances their capacity, which improves the quality of 3) ToT for TSPs. Through implementing 3) ToT for TSPs, the

suppliers of 1) company assistance are increased. The cycle of 1) company assistance, 2) promotion seminar and 3) ToT for TSPs should be implemented and standardized after the Project.

2.7 Enhancing the Training Programme for PI Experts

The consultants or trainers who receive training from PCK are important resources for disseminating PI nationwide. Therefore, as many TSPs as possible are expected to be developed through ToT by PCK.

In this Project, two ToT programmes, which are more focused and regarded as advanced-level programmes, were implemented as a model. Based on the contents of the two model programmes, it is expected that PCK will develop training programmes that are suitable for the different levels of the PI experts, including consultants/trainers, middle managers, and employees.

2.8 Recommendation on Productivity Measurement

(1) Establishing and Maintaining the Cycle of Developing ‘Productivity Statistics’

In this Project, pilot activities on productivity measurement were implemented. They were part of the PDCA (Plan-Do-Check-Act) cycle for developing ‘Productivity Statistics’. It is believed that the cycle can ensure continuous improvement of the quality of ‘Productivity Statistics’ and enhance the understanding of the stakeholders on productivity indices.

(2) Improving the Provision of Raw Data for Productivity Measurement

In order for PCK to provide more accurate productivity indices, it is highly recommended that KNBS improve the data collection system: namely, more frequent provision of data, a more detailed breakdown across industrial sectors/regions, and provision of accurate data on the formal sector.

2.9 5S Sensitisation – Strengthening the Partnership with TSPs

It is recommended that 5S sensitisation be implemented in the strategy described in PAP No. 9. It consists four components, i.e., ‘National 5S Campaign’, ‘National 5S Collaboration’, ‘National 5S Champions’, ‘National 5S Convention & Certification’.

In the strategy, PCK first needs to formulate the partnership engagement with TSPs. This partnership engagement will assist PCK in their attempt to increase the number of 5S model companies.

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List of Abbreviations

AU	African Union
APO	Asian Productivity Organization
CAGR	Compound Annual Growth Rate
COTU	Central Organisation of Trade Unions of Kenya
C/P	Counterpart
CS	Cabinet secretary of a ministry
EAC	East African Community
EKI	Ethiopia KAIZEN Institute
ISIC	International Standard Industrial Classification
JCC	Joint Coordinating Committee
JETRO	Japan External Trade Organization
JICA	Japan International Cooperation Agency
FKE	Federation of Kenya Employers
GCI	Global Competitiveness Index
GDP	Gross domestic product
JPC	Japan Productivity Center
KAM	Kenyan Association of Manufacturers
KCPE	Kenya Certificate of Primary Education
KCSE	Kenya Certificate of Secondary Education
KEBS	Kenya Bureau of Standards
KIBT	Kenya Institute of Business Training
KICD	Kenya Institute of Curriculum Development
KIE	Kenya Industrial Estate
KIM	Kenya Institute of Management
KIRDI	Kenya Industrial Research and Development Institution
KNBS	Kenya National Bureau of Statistics
KNCCI	Kenya National Chamber of Commerce and Industry
KNPCPC	Kenya National Cleaner Production Centre
KRA	Kenya Revenue Authority
KSG	Kenya School of Government
KSH (ksh)	Kenya Shilling
KTDA	Kenya Tea Development Agency
LIWA	Linking Industries With Academia
METI	Ministry of Economy, Trade and Industry, the Government of Japan
MoDP	Ministry of Devolution and Planning
MoEAACT	Ministry of East African Affairs, Commerce and Tourism
MoEST	Ministry of Education, Science and Technology
MoIED	Ministry of Industrialization and Enterprise Development
MoLSSS	Ministry of Labour, Social Security and Services
MPC	Malaysia Productivity Corporation
MSE	Micro small enterprises
MSEA	Micro Small Enterprises Authority
MSMEs	Micro, small, and medium enterprises
MSPS	Ministry of State for Public Service
MTP	Medium Term Plan
NESC	National Economic and Social Council

NITB	National Industrial Training Board
NITA	National Industrial Training Authority
NPA	National Productivity Authority
NT	National Treasury
OS	Occupational Standards
OVOP	One Village One Product
PAP	Priority action plan
PS	Principle secretary of a ministry
PAPA	Pan-African Productivity Association
PCK	Productivity Centre of Kenya
PI	Productivity improvement
PSCK	Public Service Commission of Kenya
PTAK	Professional Trainers Association of Kenya
SIDO	Small and Industrial Development Organisation (of Tanzania)
SP	Strategic plan
TKU	Tanzania KAIZEN Unit
TFP	Total-factor productivity
TVET	Technical and Vocational Education and Training
ToT	Training of trainers
TPS	Toyota Production System
TSP	Technical Service Provider
VA	Value added

Part I. Outline of the Project

1. Background of the Project

The Government of Kenya launched a long-term national development plan, Kenya Vision 2030, in 2008. The Vision aims to enhance economic development for reducing poverty and raising the living standards of the people. Specifically, it aims to achieve an average growth of the Gross Domestic Product (GDP) of 10% per annum beginning in 2012 and join the middle income countries by Year 2030. However, the Compound Annual Growth Rate (CAGR) of GDP remains at 4.4%, and that of GDP per capita is 1.6% between 2008 and 2012. On the other hand, her neighbouring countries are speeding up their economic growth. CAGRs of GDP are 8.6%, 6.6%, and 5.8%, and CAGR of GDP per capita are 5.8%, 3.4% and 2.3% during the same period in the order of Ethiopia, Tanzania, and Uganda, respectively. The Vision acknowledges that productivity improvement is essential in order to attain its goals and calls for establishment of a strong national framework to accelerate productivity improvement in Kenya. The first Medium Term Plan (MTP) of Vision 2030 (2008-2012) raised flagship projects to develop a productivity policy and to strengthen the institutional capacity of the Productivity Centre of Kenya (PCK), which is a solo public agency dedicated to productivity improvement under the Ministry of Labour (MoL).

Due to these circumstances, the Government of Kenya requested JICA to implement the Project on Productivity Improvement. The Government expected technical transfer to PCK in order to enrich its capacity in productivity improvement services and to assist in transforming PCK into a stronger organisation through the National Productivity Policy and the Bill, which were in the process of being drafted by the Government. JICA agreed on a framework for cooperation with the Kenyan Government. On 16th December, 2011, they signed a Record of Discussion on technical cooperation, authorising implementation of the Project.

2. Project Goals and Outputs of the Project

The goals and objectives of this Project are as follows:

(Goal of the proposed plan)

- Proposed PCK's role, policy, and organisational framework are implemented; thereby the capacity of PCK in productivity improvement activities is enhanced.
- The productivity improvement skills are improved through PCK's diagnosis/productivity

improvement services at the client firms/institutions; and the abilities of trainers (technical service providers: TSPs) are strengthened through PCK's training.

(Goals to be attained by utilising the proposed plan)

Activities of productivity improvement in the Republic of Kenya are sustained and expanded.

(Outputs)

(a) Output 1

The overall situation and challenges of policies/measures and organisational framework associated with productivity improvement in the Republic of Kenya and neighbouring countries are understood; and the situation and challenges of Kenyan industries related to productivity issues are identified.

(b) Output 2

The productivity is improved at the target firms/institutions; and learning tools and methodologies of PCK's diagnosis/productivity improvement services are developed through PCK's pilot diagnosis/productivity improvement service implementation, thereby enhancing the capacity of PCK personnel.

(c) Output 3

The ability of target TSPs is improved, and learning tools and the methodology of PCK's training of trainers (ToT) are developed through PCK's pilot ToT, thereby enhancing the capacity of PCK personnel.

(d) Output 4

Appropriate roles, strategies, and an organisational framework of PCK are proposed toward productivity improvement in the Republic of Kenya.

3. Scope of the Project

3.1 Duration

This Project started from March 2012 (activity in Japan) and finished in February 2014, 24 months after its commencement. Due to the situation of transformation of PCK, including the limited number of technical staff allocated, the activity plan was revised according to the availability of technical transfer.

3.2 Area

The pilot activities were mainly implemented in Nairobi, but some of the pilot consultations were conducted outside Nairobi (one company in Mombasa and one company in Rukuriri, Mt. Kenya area).

3.3 Activities⁶

In this Project, the main activities stated below were implemented.

- (1) Study and Proposal on Policy, Institution, and Organisational Building for Productivity Improvement
 - i) Study on the policy and strategies towards productivity improvement in Kenya
 - ii) Assistance in drafting the Productivity Policy & National Productivity Authority Bill
 - iii) Assistance in drafting the PCK Strategic Plan
 - iv) Making the Priority Action Plans and recommendations after the Project
- (2) Consultation for Pilot Companies
 - i) Implementation of consultation for 12 pilot companies
 - ii) Training PCK consultants on consultation skills
 - iii) Development of consulting manuals and case sheets
- (3) Training of Trainers for Technical Service Providers
 - i) Selection of TSPs
 - ii) Implementation of ToT
 - iii) Development of a TSPs database
 - iv) Development of training materials and manuals for ToT
- (4) Study and Proposal on Productivity Measurement
 - i) Assistance in improving 'Productivity Statistics 2013'
 - ii) Implementation of two workshops with FKE, COTU, KNBS, and MoLSSS
 - iii) Implementation of sensitisation programmes for FKE and COTU
- (5) Study and Proposal on Productivity Promotion Applicable to Kenya
 - i) Study on the needs for 5S sensitisation
 - ii) Implementation of pilot 5S audit
 - iii) Proposal of a 5S sensitisation strategy in Kenya
- (6) Productivity Promotion Seminar
 - i) Implementation of productivity promotion seminars
- (7) Training and Observation Missions in Other Countries⁷
 - i) Training programme in Japan
 - ii) Observation mission in a third country (Malaysia)
 - iii) Study in neighbouring countries (Ethiopia and Tanzania)
- (8) Joint Coordinating Committee⁸

⁶ Outline of Activities, Project Flow Chart, and Input Plan, are attached as Appendix 1.

⁷ Outlines of 'Training Programme in Japan', 'Observation Mission in a Third Country (Malaysia)', and 'Study in Neighbouring Countries (Ethiopia and Tanzania)' are provided in Appendix 2-4.

⁸ The minutes of the meeting are shown in Appendix 5.

- i) 1st JCC: 25th April, 2012,
- ii) 2nd JCC: 6th August, 2013
- iii) 3rd JCC: 30th January, 2014

3.4 Experts

The experts in charge of the activities were as follows:

Role	Name (Organisation)
Chief/Organisational Building	Mr. Takeshi Fujita (Japan Productivity Center)
Deputy Chief/ Productivity/Quality Improvement (1)	Mr. Katsutoshi Ikeda (Japan Productivity Center)
Policy and Institutions	Ms. Ayako Ishiwata (Because Institute)
Productivity Measurement	Mr. Yasuhiro Kiuchi (Japan Productivity Center)
Productivity/Quality Improvement (2)	Dr. Sugumaran Muniretnam (Malaysian Productivity Corporation)
Project Coordinator/Training and Seminars	Mr. Go Ohga (Japan Productivity Center)

4. Implementation Policy of the Project

4.1 Compatibility between the Development Plan Study and Pilot Activities

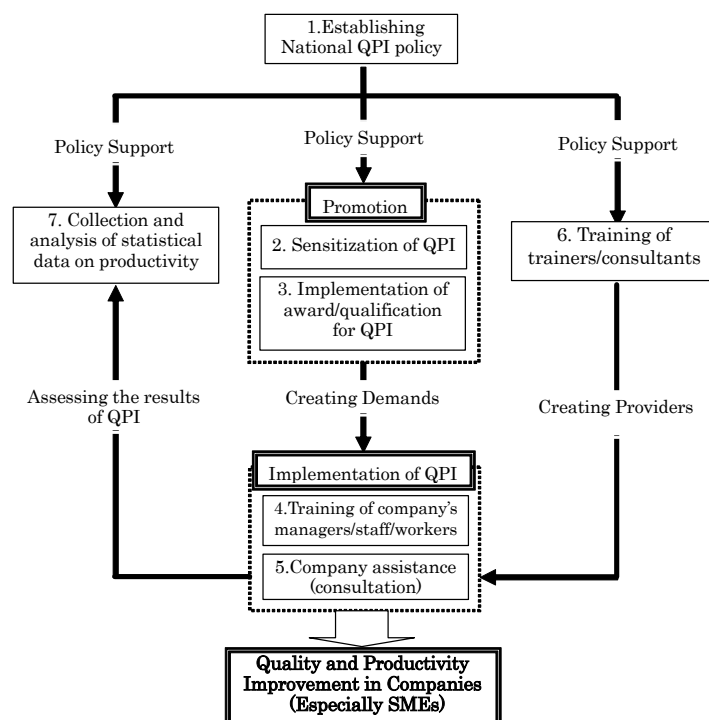
This Project included two elements: the development plan study and the technical transfer based on pilot activities. The Government of Kenya drafted the National Productivity Policy, and PCK's organisational form, system, and personnel have undergone major changes. Therefore, the development plan study was aimed at examining the status and projections of how Kenya's productivity should improve over the course of this Project and policy needs. Then, a proposal of propriety activities in productivity policies, as well as required PCK strategies for the enhancement of productivity improvement, was made. In addition, in order to develop the capacity of human resources in strengthening PCK in productivity improvement, pilot activities, such as consultation on pilot companies, pilot ToT for TSPs, and guidance on productivity indices, were implemented.

4.2 Utilising the Results of National Productivity Movements in Other Countries

Productivity improvement (PI) has been enhanced in Japan and most other Asian countries as national movements. It has contributed to the productivity improvement of industrial sectors and resulted in national economic development. In these countries, national productivity organisations (NPOs) were established in order to promote national movements and provide various activities for enhancing productivity improvement of enterprises. The activities include 'Establishing a National QPI Policy', 'Sensitisation towards QPI', 'Company assistance (consultation)', 'Training of trainers/consultants', and 'Collection and analysis of statistical data on productivity', as described in Figure 1-4-1.

In Japan, activities such as 'Training of trainers/consultants', 'Company assistance', 'Training of company managers / staff /workers', 'Establishing a National QPI Policy', and 'Collection and analysis of statistical data on productivity' are prioritised. In Malaysia,

Figure 1-4-1: Structure of Seven Required Activities for Promoting QPI by NPOs



Source: JICA Project Team

‘Sensitisation towards QPI’ has been implemented effectively through ‘5S Certification’.

In this Project, the National Productivity Policy⁹ and priority actions¹⁰ under the policy were proposed to Kenya, utilising the results of productivity movements in Japan and other countries.

4.3 Consultation Methodology–KAIZEN based on the Toyota Production System (TPS)

A consultation on pilot companies was implemented utilising the KAIZEN methodology based on TPS¹¹. TPS is the structure of KAIZEN methods that Toyota Motor accumulated through the practices of productivity improvement. It is aimed at the absolute elimination of waste at the workshop for reducing costs. The methodology of TPS has been applied to pilot companies in other productivity improvement projects, and enabled the achievement of successful results in improving production processes, improving machine utilisation by shortening machine set-up time, and improving storage management.

4.4 Proposal of a Methodology to Promote Productivity Improvement in Kenya

In Kenya, large and middle-scale enterprises, which are engaged in global business, have a strong interest in quality and productivity improvement. However, adoption of a productivity improvement methodology has not yet spread to most small and medium-scale companies, since top managers do not fully recognise the importance and effectiveness of productivity improvement activities. In addition, some executives mentioned that there was no strong incentive to start productivity improvement activities.

In the Project, productivity promotion seminars were held twice and successful cases of consultation for pilot companies were presented. It helped to promote the effectiveness and applicability of productivity improvement methods in Kenya. Besides, the methodology of promoting productivity improvement through 5S, such as ‘5S Certification’, is implemented in Malaysia, and it has worked well to attract many enterprises to implement 5S, which is the first step of productivity improvement activities. The Malaysian experience was explained to the C/Ps of PCK, and a methodology applicable to Kenya was considered¹².

4.5 Productivity Measurement–Making Proposals based on the Needs of Stakeholders

The continuous provision of reliable and neutral productivity indicators is a demand of the main stakeholders of PCK, such as FKE and COTU. In this Project, guidance to improve the quality of PCK’s reports on productivity indices, namely ‘Productivity Statistics’, was given by a JICA expert, based on

⁹ The National Productivity Policy is explained in ‘Part II. 2. Policy and Strategies towards Productivity Improvement in Kenya’.

¹⁰ The priority actions are explained in ‘Part IV. 1. Priority Action Plans (PAPs)’.

¹¹ The application of TPS into pilot companies is explained in ‘Part III. 1. Consultation for Pilot Companies’.

¹² The methodology to promote productivity improvement in Kenya is explained in ‘Part III. 4. Productivity Promotion Applicable to Kenya’.

the results of the workshop among the experts of FKE, COTU, and MoLSSS¹³.

4.6 Dispatching of Experts according to the Availability of PCK

According to the plans for transforming PCK, the number of PCK staff was planned to be increased. However, this was delayed, due to issues related to transition into the new government. Therefore, the input plan of JICA experts was revised and the experts were dispatched, considering the availability of PCK.

¹³ The guidance to improve 'Productivity Statistics' is explained in 'Part III. 3. Study on Productivity Measurement'.

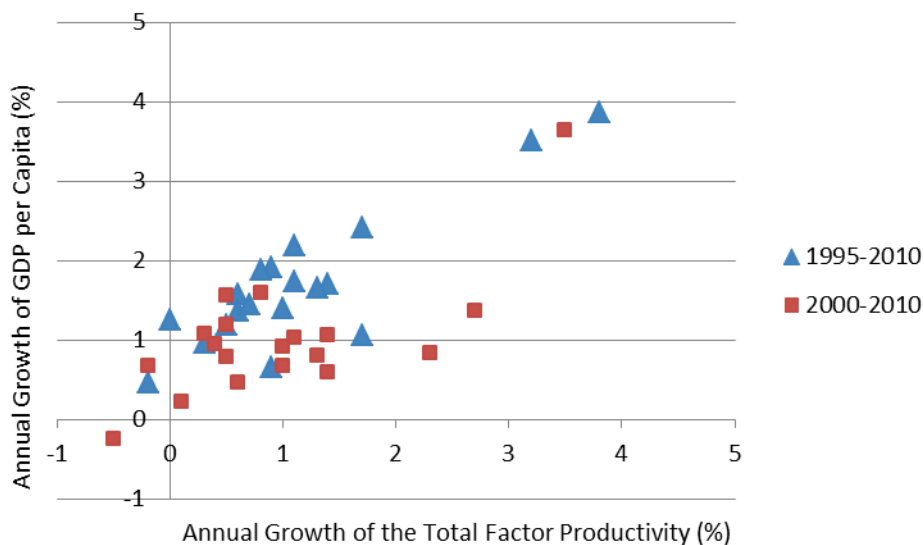
Part II. Study on Policy, Institution and Organisation Building for Productivity Improvement in Kenya

1. Current Situation and Issues of Productivity Improvement in Kenya

1.1 Needs for Productivity Improvement in Kenya

Productivity improvement is indispensable for economic growth and poverty reduction in Kenya. The national total factor productivity (TFP) shows the competitiveness of a nation regardless of the size of its economy. TFP is a theoretical factor, that affects the level of outputs excluding those accounted for by changes in traditional inputs, i.e. labour and capital. TFP is considered to represent the level of productivity affected by technology, innovation, and efficiency in management. TFP in the form of growth rate can be approximately estimated from the gap between ‘total growth rate’ and ‘growth rate of labour and capital’. As we can see in Figure 2-1-1, growth of TFP shows a statistically strong correlation with growth of GDP per capita.

Figure 2-1-1: Growth of TFP and Growth of GDP per Capita among OECD Countries

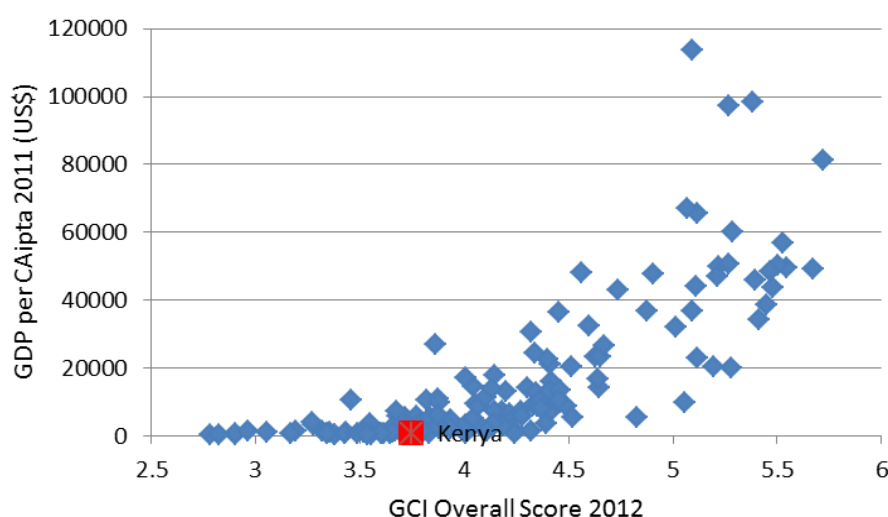


Source: OECD statistical database

How is the competitiveness of Kenya as a nation? While multiple measures are required to improve productivity, the Global Competitiveness Index (GCI) is the indicator to estimate the competitiveness of a nation under 12 pillars, which are categorised into the following sub-indices: basic requirements, efficiency enhancers, and innovation and sophistication factors. The basic requirements sub-index includes i) institutions, ii) infrastructure, iii) macroeconomic environment, and iv) health and primary education pillars. The efficiency enhancers sub-index includes v) higher education and training, vi)

goods market efficiency, vii) labour market efficiency, viii) financial market development, ix) technological readiness, and x) market size. And the innovation and sophistication factors sub-index includes xi) business sophistication and xii) innovation. Each pillar is evaluated in a range between 1 and 7. The overall score of GCI also shows strong statistical correlation¹⁴ with GDP per capita (see Figure 2-1-2).

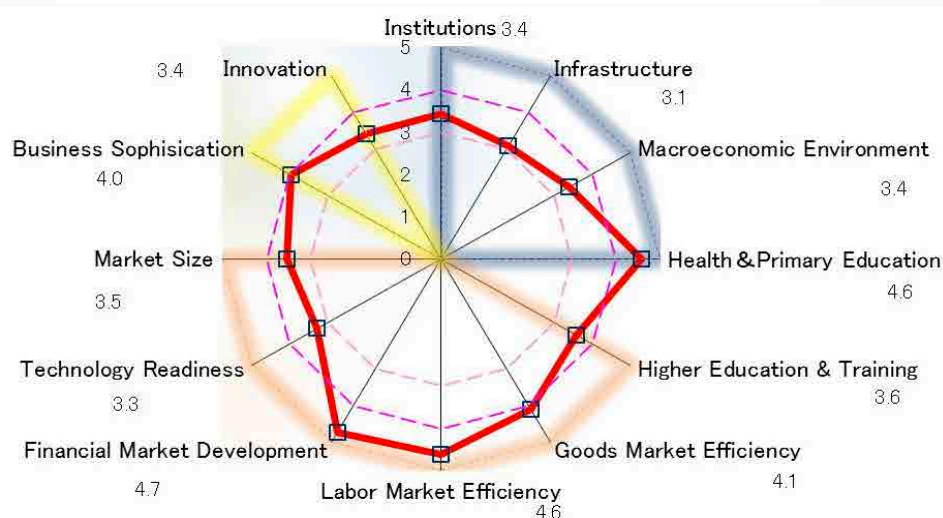
Figure: 2-1-2 GCI and GDP per Capita (2012)



Source: World Economic Forum, Global Competitiveness Database 2012-2013

Figure 2-1-3 shows the latest evaluation of Kenya on GCI. The overall score of Kenya is 3.75, ranking 106 out of 144 evaluated countries. Among 12 pillars, 7 pillars are below the theoretical average of a score of 4, namely, i) institutions, ii) infrastructure, iii) macroeconomic environment, v) higher education and training, ix) technological readiness, x) market size and xii) innovation. Considering of the global competitiveness, these are suggested as the issues to be improved in Kenya.

Figure 2-1-3: Global Competitiveness Index of Kenya (2012)

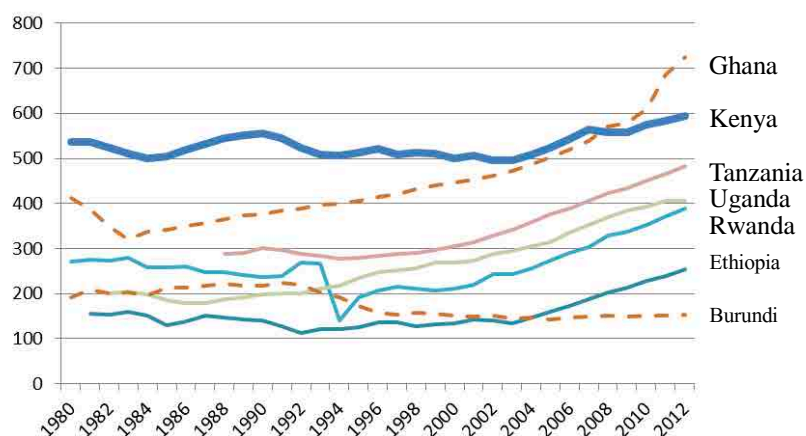


Source: World Economic Forum, Global Competitiveness Database 2012-2013

¹⁴ With less than a 1% significance level

Figure 2-1-4 shows comparisons of GDP per capita (1980-2012) between Kenya and her neighbouring countries (except Sudan and Somalia). Although Kenya enjoyed higher GDP per capita than others since her independence, her CAGR for the last 10 years is 1.8% while that of Tanzania, Uganda, Rwanda, and Ethiopia is 3.9%, 3.5%, 4.8%, and 6.1% respectively. This means that neighbouring countries are speeding up to catch up with Kenya. Kenya may lose her comparative advantage if she does not put more effort into and place more emphasis on productivity improvement.

Figure 2-1-4: Comparisons of GDP per capita (1980-2012)



Note: Neighbouring countries (except Sudan and Somalia) and Ghana are selected for comparison. Ghana is a good comparison for Kenya in terms of her similar level of GDP per capita.

Source: World Development Indicator database

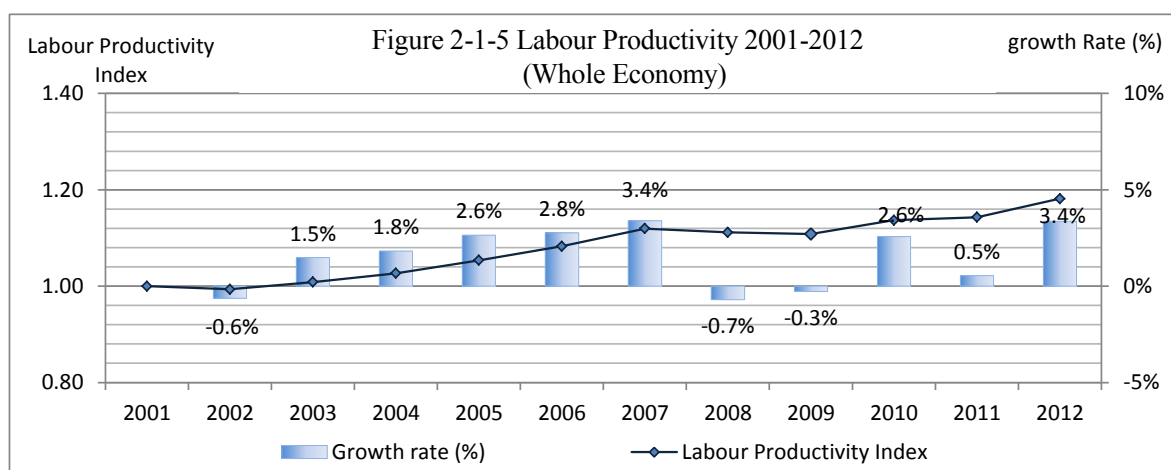
1.2 Current Status of Labour Productivity in Kenya

The following is an analysis of the current status of labour productivity in Kenya as reported in 'Productivity Statistics 2013', which is the annual publication of PCK.

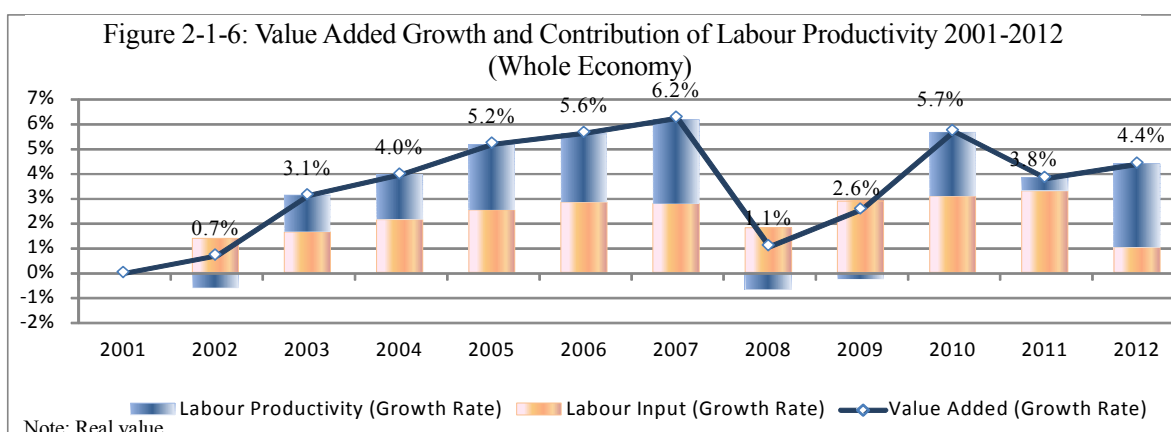
(1) Whole Economy

Figure 2-1-5 shows the labour productivity¹⁵ index (the change of productivity in each year compared to the base year = 2001) and the labour productivity growth (the change of productivity in each year compared to the previous year). The labour productivity index shows that labour productivity in Kenya increased by 3.4% in 2001-2012 and has been in a gradually increasing trend in the period. On the other hand, the labour productivity growth rate has changed year by year, due to the change of the output (the change of production amount, the change of market price, etc) and the change of the input (the change of the number of labour).

¹⁵ Labour productivity = Output (Value added) / Labour input.



As shown in Figure 2-1-6, the value added¹⁶ growth rate (real value) in the whole economy has remained positive in 2001- 2012. In 2008 and 2009, it decreased. The growth of value added is attributed to two factors: the growth rate of labour productivity and the growth rate of labour input.¹⁷ In 2008 and 2009, while labour input kept steadily increasing, labour productivity recorded negative growth, due to the decline in the value added in accordance with sluggish economic activities after the post war crisis. In 2012, the increase in labour productivity contributed to the increased growth in value added.



(2) Industrial Comparison

Figure 2-1-7 illustrates an industrial comparison of value added produced in the 6 priority sectors, namely: i) agriculture, ii) manufacturing, iii) energy¹⁸, iv) wholesale & retail, v) tourism, and vi) financial. In the last 12 years, the agriculture sector has occupied the largest share followed by the manufacturing, wholesale & retail, and financial service sectors. In particular, the shares of the financial sector have increased rapidly compared to the level in 2001.

¹⁶ Value added is calculated by 'total value amount of all the products and services' minus 'intermediate input'.

¹⁷ Amount of employment is used as labour input. In the future, the numbers of hours worked should be used if available.

¹⁸ Energy includes electricity and water supply.

Figure 2-1-7 : Comparison of Value Added (Output) (2001-2012) in 6 Sectors

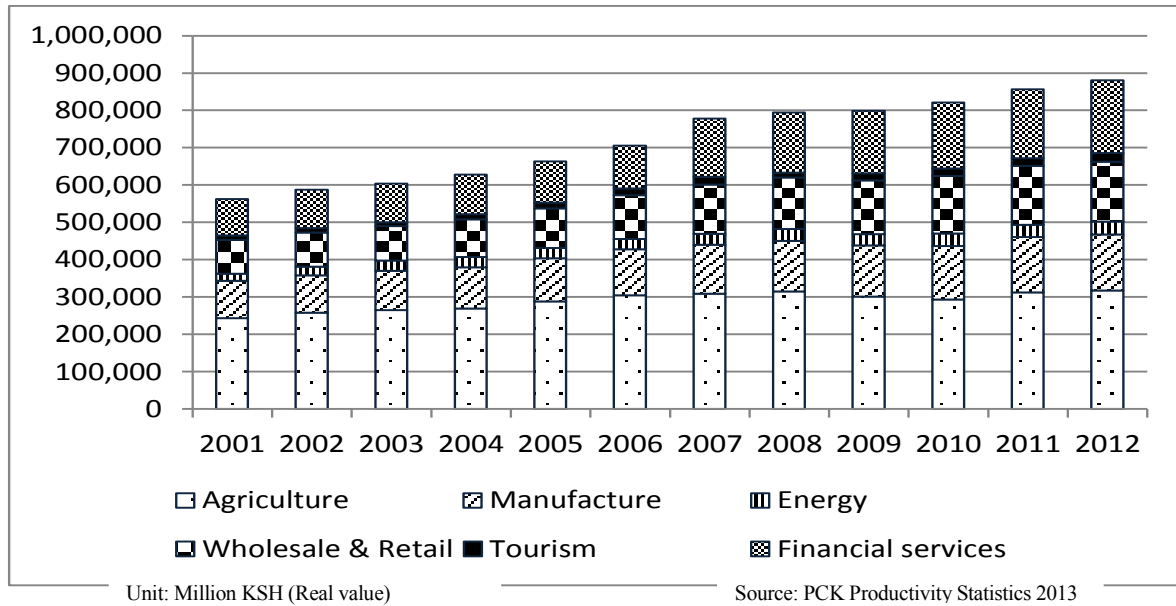
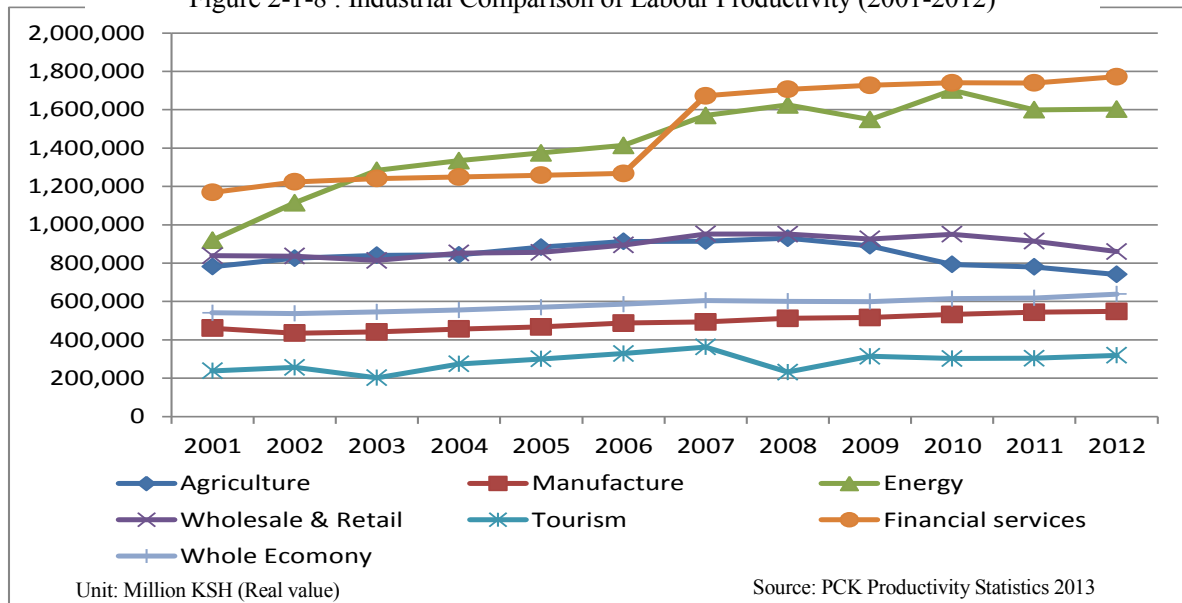


Figure 2-1-8 illustrates a comparison of labour productivity levels across the 6 sectors and the economy. Both of the financial and energy sectors record a higher score above the other sectors while the tourism and manufacturing sectors record a lower score than the whole economy between 2001 and 2012.

Figure 2-1-8 : Industrial Comparison of Labour Productivity (2001-2012)



(3) Manufacturing

The manufacturing sector, which is the target sector of this JICA Project, is one of the six sectors identified as priority economic pillars in Kenya Vision 2030. Figure 2-1-9 illustrates 1.5-fold increase in output (value added) during the period between 2001 and 2012. However, the increase in labour productivity index stayed lower than that of the labour input index.

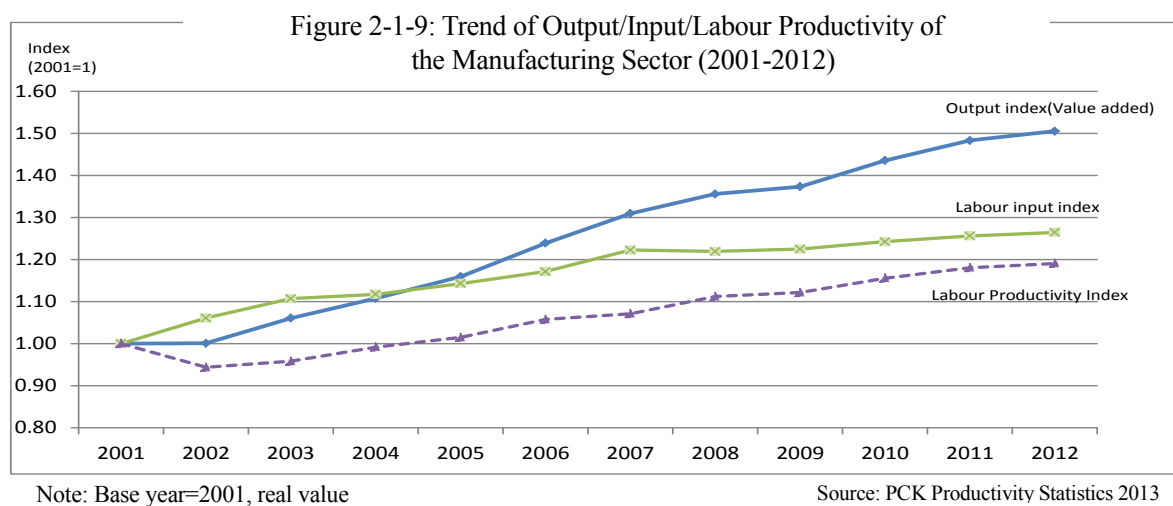
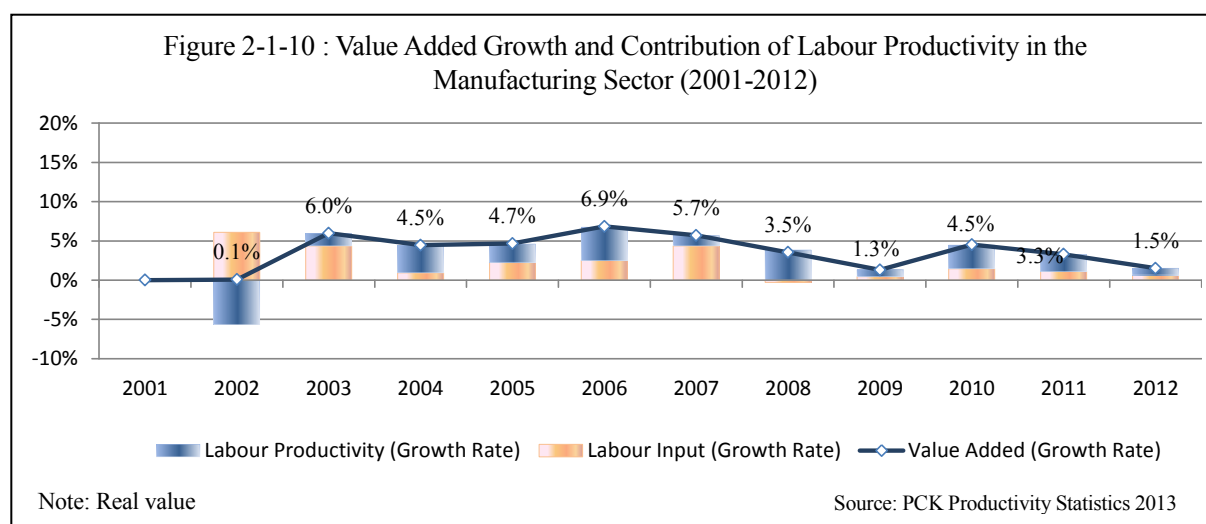


Figure 2-1-10 shows the value added growth of the manufacturing sector and the contributing factors. The annual growth of value added was relatively high (4.5- 6.9%) in 2003- 2007, but it has remained lower (1.3-4.5%) since 2008. This is because neither labour input nor labour productivity has increased sufficiently. Increasing labour productivity in the manufacturing sector, as well as increasing labour input to the sector, is a crucial issue for national development in Kenya¹⁹.

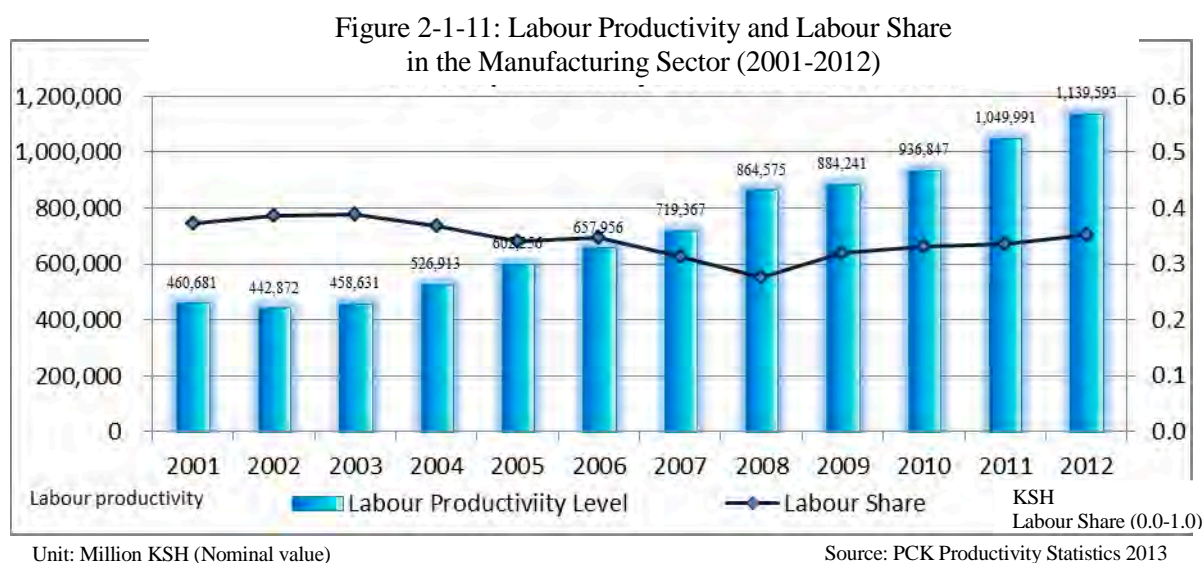


In Figure 2-1-11, the increase in nominal labour productivity²⁰ is shown for the 12 years. The figure also shows the labour share (the ratio of nominal total wage to nominal value added). The labour share

¹⁹ If the data is available by the sub-sectors of manufacturing sector, more close analysis will be made.

²⁰ Output is calculated as a nominal value. The average inflation rate is 8.6% per annum between 2001-2012 (KNBS).

decreased in 2008, but it has been maintained or has slightly increased since 2008.



1.3 Kenya Vision 2030 and Productivity Improvement

Kenya Vision 2030 is the supreme long-term national plan of Kenya covering the period from 2008 to 2030. It aims to transform Kenya into a middle-income country that provides a high quality of life by the year 2030. The Vision is based on three pillars: the economic, the social, and the political. The economic pillar aims to achieve an average gross domestic product (GDP) growth rate of 10% per annum beginning in 2012. The social pillar seeks to build a cohesive society with social equity, in a clean and secure environment. The political pillar aims to realise a democratic political system. Then, there are cross-cutting factors to support the development of the three pillars including infrastructure, energy, science/technology, innovation, land reform, human resource development, security, and public sector reform. Strategies and actions related to PCK are articulated under the section on human resource development, of which the Ministry of Labour, Social Securities and Services (MoLSSS) is in the working group. The Vision states the need to monitor productivity levels and to implement productivity improvement interventions. These tasks are expected to be undertaken by a well-established national productivity centre.²¹

Kenya Vision 2030 specifies flagship projects that are implemented and monitored through Medium Term Plans (MTPs), each covering a period of five years. In the First MTP (2008-2012), three objectives are specified under the section on productivity improvement, measurement, and promotion. These are:

- i) to facilitate the adoption of a productivity culture;
- ii) to develop a productivity policy; and

²¹ The Government of Kenya (2008) *Kenya Vision 2030*, Page 24. Output is calculated as a nominal value. The average inflation rate is 8.6% per annum between 2001-2012 (KNBS).

iii) to strengthen the institutional capacity of PCK.²²

Reviewing the progress of the First MTP, the Second MTP (2013-2017) specifies a new set of flagship projects related to productivity improvement. This time, it targets micro, small, and medium enterprises (MSMEs) and the counties. The objectives of the projects are:

- i) to promote growth and development of MSEs;
- ii) to promote productivity improvement and cleaner production of SMEs; and
- iii) to raise the counties' productivity levels and competitiveness.²³

The three flagship projects above focus on relatively weak segments of the economy where government intervention needs to be strengthened. This means that the mandate given on productivity improvement is more concrete and demanding in the Second MTP, compared to the First MTP.

1.4 Governmental Structure for Productivity Improvement

Kenya is in the process of forming a new governmental structure under the 2010 Constitution after the presidential election in March 2013. Firstly, the number of ministries was reduced from 44 to 18. The Ministry of Labour (MoL) was restructured into MoLSSS with new functions taken up on social security and gender. PCK, which is to be transformed to NPA through the NPA Bill²⁴, remains under the authority of the Ministry of Labour, Social Security and Services.

The other main change in the new government is devolution with two layers of government at the national and county levels with the establishment of 47 county governments. While many productivity initiatives have been driven by the national government, strategies and programmes with county-driven initiatives will have to be developed, since the initiatives from county governments are likely to be cost efficient and also meet local needs. Yet, the current government structure and financial resources do not adequately support this new shift. There are county officers deployed by MoIED and the Micro Small Enterprise Agency (MSEA), but one technical officer is currently looking after more than one county in each organisation. There are also some regional offices of the Kenya Industrial Research and Development Institute (KIRDI), the Kenya Industrial Estate (KIE), the Kenya Bureau of Standards (KEBS), and the Kenya Institute of Business Training (KIBT). However, each organisation has only 1, 29, 5, and 8 branches respectively, and it is not enough to extend permanent support to all the counties. The county governments plan to recruit their own personnel for enterprise development, but sufficient national budget has not so far been allocated for establishing a support system in 47 county governments with full personnel as envisaged.

²² The Government of Kenya (2008) *Kenya Vision 2030 First Medium-Term Plan (2008-2012)*, Page 154.

²³ The Government of Kenya (2008) *Kenya Vision 2030 Second Medium-Term Plan (2003-2017)*, Page 132, 133, 152.

²⁴ PCK has not yet been transformed to NPA during the project period, since the NPA Bill was not examined at the parliament, due to the reasons explained 'Part II. 2.1 The National Productivity Policy and the National Productivity Authority Bill'.

1.5 Current Status of PCK

(1) Establishment and Its Mandate

PCK is a tripartite institution founded by MoL (now MoLSSS), FKE, and COTU under the Company Act (Cap. 486) on 6th August, 2002.²⁵ Its mandate is to promote productivity culture for all Kenyans in order to enhance the nation's competitiveness. PCK undertakes three main activities: productivity promotion, productivity improvement (consultation), and productivity measurement. Since its establishment, PCK had been operating as a department of MoLSSS, and all procurement and decision making processes go through the Ministry.

(2) Financial Resources of PCK

Currently, PCK relies solely on MoLSSS for financial and personnel resources. Due to the contradiction between the legal independent status from the Government as an entity formed under the Company Act and its operational reality, PCK has faced constraints on its resources since its establishment. In 2012/13, the budget was increased to 91 million KSH from 31 million KSH in the previous year. However, due to resource constraints in transformation to a devolved government, the budget of PCK in 2013-2014 is reduced to 67 million KSH, which is 27% less than in the previous year. The recurrent budget on research was cut due to retrenchment of the total budget allocated to research in the previous government (Table 2-1-1).

Table 2-1-1 Budget of PCK (2011-2014)

		Unit: Thousand Ksh					
Item		2013/14 (a)		2012/13 (b)		Increase Ratio (a-b/b)	2011/12
Recurrent Budget	Basic salaries-permanent employees	19,953	(30%)	19,714	(22%)	1%	0
	Personnel allowance	11,470	(17%)	11,148	(12%)	3%	0
	Communication, supplies & services	1,350	(2%)	1,105	(1%)	22%	508 (2%)
	Domestic travel & subsistence, etc	1,760	(3%)	2,646	(3%)	-33%	1,391 (5%)
	Foreign travel & subsistence, etc	1,917	(3%)	1,591	(2%)	20%	1,054 (3%)
	Printing, advertising etc	627	(1%)	1,350	(1%)	-54%	1,277 (4%)
	Rental of produced assets	3,074	(5%)	1,667	(2%)	84%	552 (2%)
	Training expenses	1,014	(2%)	1,375	(2%)	-26%	455 (1%)
	Hospitality supplies and services	2,784	(4%)	4,793	(5%)	-42%	3,023 (10%)
	Office & general supplies	1,074	(2%)	1,294	(1%)	-17%	536 (2%)
	Fuel oil and lubricant	2,495	(4%)	3,866	(4%)	-35%	1,600 (5%)
	Other operating expenses	5,837	(9%)	5,052	(6%)	16%	1,977 (6%)
	Routine maintenance-vehicle	1,559	(2%)	1,208	(1%)	29%	500 (2%)
	Routine maintenance-other assets	1,615	(2%)	1,752	(2%)	-8%	580 (2%)
	Purchase of vehicle & other transportation equipment	0		1,750	(2%)	-100%	0
Development Budget	Purchase of office furniture & general equipment	0		1,395	(2%)	-100%	713 (2%)
	Research, feasibility studies, project preparation and design, project supervision	0		19,702	(22%)	-100%	6,524 (21%)
Total		66,530	(100%)	91,407	(100%)	-27%	30,690 (100%)

Source: *Budget Estimates* of each fiscal year

²⁵ Gazette Notice No. 7354 of 5th November, 2002.

(3) Personnel Resources

As of the end of January 2014, PCK has four technical and five supporting personnel affiliated to MoLSSS. The technical staff of PCK have been participating in various international training programmes such as the programmes organised by the Asian Productivity Organization (APO) and on-the-job training with the Japanese experts under the METI-JPC project²⁶ in addition to technical transfer in this Project. Through these activities, they have become able to implement training and consultation service and provide the trainers of training (ToT) on productivity improvement.

MoL had a plan to staff PCK with 25 technical officers (Table 2-1-2) with the recruitment of 16 new officers from a budget of 20 million KSH for basic salaries in 2012/13 (Table 2-1-1). However, the recruitment process was halted due to transition into the new government. Firstly, two out of five seats of commissioners of the Public Service Commission of Kenya (PSCK) were left vacant from September 2012 to December 2012 although all public recruitments require the signatures of the five commissioners. Then after the formation of the new government, recruitment of civil servants in the national government was ordered to stop under a policy to adjust allocation of internal staff to the newly formed ministries and to suppress spending by the national government for transferring budget to the county governments. As of the end of January 2014, recruitment in the national government has not fully started with minor exceptions.

Table 2-1-2 Planned Staffing Level at PCK in 2012/13

Title	Rank	Current	Plan in 2012/13
Productivity Secretary	T		
Director of Productivity	S		1
Deputy Director, Productivity	R		
Senior Assistant Director, Productivity	Q		1
Assistant Director, Productivity	P		4
Principal Productivity Officer	N	1	4
Chief Productivity Officer	M	3	4
Senior Productivity Officer	L		
Productivity Officer I	K		7
Productivity Officer II	J		4
Total		4	25

Source: Ministry of State for Public Service (2010) *Scheme of Service for Productivity Officers* and interviews with PCK

The Cabinet Secretary (CS) and the Principle Secretary (PS) of MoLSSS remained in contact with the National Treasury (NT) and monitored the progress. Both the CS and PS recognise recruitment of new staff for PCK as being a priority. An official request to prioritise the recruitment process for PCK was sent from the PS of MoLSSS to the Director of PSCK on 12th July, 2013. Then both the CS and PS of MoLSSS visited PSCK to discuss the recruitment issue at the end of August. PSCK agreed to start recruitment for PCK as soon as PSCK received a letter from NT to authorise utilisation of the recruitment fund. At the same time, the possibility of transferring staff from other departments of

²⁶ JPC implemented technical transfer on productivity consultation skills to PCK, with assistance from METI.

MoLSSS to PCK has been sought, but the internal transfer did not make progress as MoLSSS was waiting for a report on a staff deployment plan from the Directorate of Public Service Management under the Ministry of Devolution and Planning (MoDP). The report was finally submitted to MoLSSS in January 2014. The report endorses a staffing level of PCK of up to 84 including supporting staff. This staffing number is very close to the original recommendation submitted in 2010 by the Task Force, which assessed the need to transform PCK into an authority. The CS and PS of MoLSSS provided assurance that the report gave grounds for facilitating transfer personnel to PCK not only within MoLSSS but also from other ministries.

(4) Activities of PCK

In spite of limited human resources, PCK has the heavy task of spearheading productivity improvement in the public and the private sector. PCK strives to undertake various duties. Table 2-1-3 shows the key outreach performances of PCK under its performance contract. In addition to the table below, PCK was responsible for drafting the National Productivity Policy and the Bill. In 2013/14, PCK has the task of conducting a productivity campaign in 10 counties.

Table 2-1-3: Key Outreach Performance of PCK (as of January 2014)

	Actual				Target
	2009/10	2010/11	2011/12	2012/2013	2013/14
Consultations for model companies/agencies	10	15	20	20	25
Training TSPs	74	150	200	200	240
Development of labour productivity indices	5 sectors	5 sectors	5 sectors	5 sectors	5 sectors

Note: The 5 sectors covered in the labour productivity indices are manufacturing, tourism, agriculture, wholesale/retail, and financial services.

Source: PCK Performance Review Report 2012/13 and PCK Activity Plan 2013-2014 (Draft)

1.6 Main TSPs related to Productivity Improvement

In order for PCK to become the focal point for spearheading the productivity improvement movement nationwide, it is of primary importance that PCK establishes collaborating networks with other TSPs working towards productivity improvement. In Kenya, KAIZEN methods²⁷ were initially well publicised through activities under the Kenya Association of Manufacturers (KAM) and the Kenya Institute of Management (KIM). While the Government intends to transform PCK into a well-recognised public institution for productivity improvement, it is necessary to acknowledge the contributions made in the private sector and also to utilise the resources of other related public institutions. The main contacts

²⁷ The Kaizen concept spread in Kenya is the integration of productivity & quality management tools under *Kaizen philosophy by the Kaizen Institute*.

for identifying TSPs are described below.

(1) KAIZEN Institute and KAM

The key player that has disseminated KAIZEN practices in Kenya is the KAIZEN Institute in collaboration with KAM. The KAIZEN Institute is a private consulting firm specialised in KAIZEN-related methodologies with 30 global branch offices. On the other hand, KAM, established in 1959, represents the formal manufacturing sector with membership of approximately 700 manufacturers, mainly large and medium-scale ones. Since 2005, KAM has invited the KAIZEN Institute to serve the needs of its members. KAM also holds an annual seminar on KAIZEN and publicises the cost reduction effects from KAIZEN in the model companies in the media. Through such activities, the effects of KAIZEN have been acknowledged not only by the manufacturers but also by the service and the public sector, and the markets of KAIZEN consultancy services have been developed among large and medium-scale firms/agencies. Currently, two consultants from the KAIZEN Institute operate full time based in Kenya. KAM also supports members in consultancy and training on energy efficiency and conservation.

(2) KIM

The Kenya Institute of Management (KIM) is another organisation that has contributed to the dissemination of KAIZEN practices in Kenya. KIM, established in 1954, is a non-profit organisation developing the management capacity of employers and managers. KIM holds an annual event to present the Company of the Year Awards (COYA) to large and multi-national companies and the Small Medium Enterprise of the Year Awards (SMOYA) to small and medium companies based on the Organisational Performance Index (OPI). Awards are given for the overall winners' scores as well as each of the seven separate determinants of OPI while productivity and quality count as one determinant.²⁸ Top companies utilise COYA to improve their corporate image because the events are widely publicised in the media. Many winners of COYA received high credits by performing KAIZEN activities.²⁹ It is effective for PCK to spread the concept and tools on productivity improvement to the clients company of KIM through training the trainers under KIM.

(3) FKE

The Federation of Kenya Employers (FKE), established in 1959, is a representative organisation of employers in the formal sector. It has membership of approximately 3,000 companies and agencies. As part of its activities, FKE provides training and consultancy services to its members. In 2010, FKE held a

²⁸ The seven determinants of OPI are i) Leadership and management, ii) Human resources, iii) Customer orientation and marketing, iv) Financial management, v) Innovation, technology, and information management, vi) Corporate social responsibility and environmental focus, and vii) Productivity and quality.

²⁹ In 2013, the winner of COYA was BRITAM (an insurance and financial service) and the winner of SMOYA was BOMA Hotel.

three-day conference on productivity improvement and awarded three companies which achieved excellence in management planning and productivity improvement. Additionally, two-day seminars were held in Nairobi (four times targeting specific sectors), Kericho, Kisumu, and Mombasa. FKE is interested in holding similar activities in the future.

FKE is one of the main stakeholders of PCK, and it is important for PCK to train FKE's officers and its trainers, so that they can provide training and consultancy service to the member companies.

(4) KIBT

The Kenya Institute of Business Training (KIBT), established in 1966, is an agency for business training and consultancy services under the Ministry of East African Affairs, Commerce and Tourism (MoEAACT). Its main beneficiaries are micro and small-scale enterprises (MSEs). It has 33 lecturers in 8 branches nationwide. JICA collaborated with KIBT from 2010 to 2012 to provide basic managerial training including a productivity improvement module under the Project for the Second Phase of Trade Training for SME Exporters. While the outreach of PCK outside Nairobi is currently limited, collaboration with KIBT seems ideal to sensitise MSEs in wider area.

(5) KNCPC

The Kenya National Cleaner Production Centre (KNCPC) was originally formed in 2000 as a project under the global National Cleaner Production Centre Programme, which was jointly supported by the United Nations Environment Programme (UNEP), the United Nations Industrial Development Organisation (UNIDO), the Ministry of Environmental and Natural Resources (MoENR), and the Kenya Industrial Research and Development Institute (KIRDI). KNCPC was then transformed into a trust registered under the then Ministry of Trade and Industry (MoTI) in 2006 after the end of the Project. KNCPC has 8 technical staff and 20 collaborating TSPs. Cleaner production consultancy and training services incorporate the transfer of 5S and KAIZEN practice with the aim of promoting 3R: Reduce, Reuse, and Recycle. KNCPC conducts consultancy and audit services with commercial fees. It provides services to approximately 20 companies every year. KNCPC also offers training courses and annual cleaner production awards.

Since KNCPC has the strong expertise in consultation on energy saving, PCK is expected to collaborate with KNCPC in enhancing the variety of consultation services at factories.

(6) TVET and Higher Education

The Government has undergone a major educational reform and five bills have recently been enacted, namely, i) the Basic Education Act (2013), ii) the Universities Act (2012), iii) the Technical and Vocational Education and Training Act (2013), iv) the Science, Technology and Innovation Act (2013),

and v) the Industrial Training (Amendment) Act (2011). The Industrial Training (Amendment) Act (2011) transformed the former Directorate of Industrial Training into a semi-autonomous government agency named the National Industrial Training Authority (NITA) under MoLSSS. In addition, the Technical and Vocational Education and Training Act shall establish the Technical and Vocational Education and Training Authority, which oversees all Technical and Vocational Education (TVET) institutions except those that are overseen by NITA.

Kenya has 883 public and 706 registered private TVET institutions (see Table 2-1-4 for the categories of public TVET institutions). So far, topics on productivity improvement are partially covered in TVET courses but not in a holistic way. Incorporating productivity improvement concepts and applications into their training curriculums is considered crucial in disseminating productivity improvement tools in industry.

Table 2-1-4: Public TVET Institutions in Kenya

Institutional Type	Number	Line Agency	Credentials from the Kenya Institute of Education (Entry Requirements)			Credentials from NITB
			Craft Certificate (KCSE-D)	Diploma (KCSE-C ⁻)	Higher Diploma/Degree (KCSE-C)	Trade Tests (I~III) (KCPE/KCSE)
Vocational Training Centres (Youth Polytechnics)	817	TVET Authority				○
Technical College (Institute of Technology and Technical Training Institute)	39		○	○		
National Polytechnic	2 ³⁰		○	○	○	
Technical Teaching Training College	1		○	○	○	
Industrial/Vocational Training Centre	5	NITA	○	○ (Athi River)		○

Note: NITB: National Industrial Training Board; KCSE: Kenya Certificate of Secondary Education; KCPE: Kenya Certificate of Primary Education.

Source: MoHEST (2012) *Policy Framework for Education and Training* and additional interviews conducted by the JICA Expert Team

Kenya has many universities that offer technical courses; yet, similar to TVET, exposure to productivity improvement tools is at a minimum level in higher education curriculums. Although the curriculums at universities are more adaptable to change, there is no systematic route to reflect on curriculum development responding to the needs of the industry. To tackle this issue, this Project worked with an

³⁰ Polytechnics in Nairobi and Mombasa have been transformed into the Kenya Polytechnic University College and the Mombasa Polytechnic University College, respectively. Current polytechnics are Eldoret and Kisumu.

organisation called Linking Industries with Academia (LIWA), which was initiated in 2010. LIWA is a private-led initiative to enhance collaboration between industry and academia. LIWA works in areas related to i) infrastructure development in academic institutions, ii) R&D, iii) curriculum development, and iv) academic accreditation.

In order to integrate productivity concept into TVET curriculum, it is important for PCK to train TVET trainers in the ToTs, in order to increase the number of the TVET trainers who understand the effectiveness of productivity improvement.

(7) PTAK

The Professional Trainers Association of Kenya (PTAK) was established in 2009. It is a national association for professional trainers and consultants dedicated to industrial development (including private trainers/consultants). PTAK now has about 1,300 professionals of which 500 are active members working in various fields. PTAK provides the members with training in upgrading training skills (presentation skills, contents delivery, training needs surveys, etc.) and a meeting for sharing experiences. PTAK also works as a link between the users (governments and the private sector) and the suppliers (the members of PTAK) of the training. PTAK introduces capable trainers/consultants to the public and private sectors, in response to inquiries. There are other private TSPs working on productivity improvement. Potentially, more private consultants/trainers who are capable of undertaking productivity improvement service may exist. PTAK may be a good route for PCK to identify and make networks with potential consultants and trainers for productivity improvement, especially from the private sector.

(8) KSG

The Kenya School of Government (KSG) was established in July 2012 under the Vision 2030 Flagship Project. The Kenya School of Government Act establishes KSG as a successor to the Kenya Institute of Administration and the Kenya Development Learning Centre. The School shall provide learning and development programmes to build capacity for public service among other functions. The Act stipulates the powers, functions, and administration of the School among other provisions.

It is important for PCK to training the KSG trainers, considering of the application of the concept of productivity improvement to the public sector.

(9) Tom Mboya Labour College

Tom Mboya Labour College is run by COTU. It is located in Kisumu and provides training mainly to trade union leaders on knowledge required for labour management negotiations. ToT for the lecturers of Tom Mboya Labour College may be an effective way for PCK to sensitise the trade unions towards the concept of productivity improvement and the use of productivity statistics.

1.7 Availability of Basic Data for Productivity Measurement

Provision of reliable productivity indices was the main intention in establishing PCK in 2002. The initial intention has not been fully met to date, but this is partly due to lack of accurate basic data beyond the capacity of PCK. For PCK to produce productivity indices, it is necessary to structure a proper raw data collection system, expand the coverage of data, and increase the frequency of data collection. For this purpose, it is essential to build a collaborative relationship with the Kenya National Bureau of Statistics (KNBS), the provider of basic data related to productivity indices.

The raw data provided to PCK for productivity measurement is periodically collected by KNBS. Some issues observed are as follows:

- As for labour input, the currently available data is not ‘man hours’ (which provides more accurate indices), but ‘amount of employment’.
- Capital stock³¹ (fixed assets), which is necessary for calculating capital productivity, is not well captured at the industrial sector level. Therefore, currently, it is not possible to perform an analysis on capital productivity by industries.
- Output³² data includes production value created both in the formal sector and the informal sector, and it is difficult to separate the production from each sector. On the other hand, labour input is calculated by adding the estimated data of the informal sector to the actual data of the formal sector. Since the formal sector is often considered to be the target of wage negotiation between FKE and COTU, it is important to provide accurate productivity indices in the formal sector.
- KNBS updates both output and input data annually, but the annual data alone limits the production of productivity indices. If raw data is collected more frequently and data population becomes larger, the indices will become more accurate.
- Raw output data are obtained only from sample enterprises, which sometimes seem to be fixed for a long time without reflecting entries of new enterprises and changes of the composition of industries. In order to match the reality of industries in Kenya, constant review of the samples is necessary.
- Raw data according to the industrial sub-sector (e.g., breakdown of the manufacturing sector) is not always available.

KNBS is in consultation with the Kenya Revenue Authority (KRA) in utilising the financial and tax data of individual companies for national statistics. The main challenge is harmonising ISIC coding between the two organisations. If this is done, some of the issues above are expected to be solved.

³¹ Capital stock is the total value of the stock of fixed assets in the economy at a certain point in time.

³² Output = Value added. Output is calculated by ‘total value amount of all the products and services’ minus ‘intermediate input’. Output is used as numerator in calculating labour productivity. Labour productivity = Output (value added) / Input (labour input).

2. Policy and Strategies towards Productivity Improvement in Kenya

The Project clarified policy and strategies on productivity improvement through assisting in revising the National Productivity Policy³³ and the National Productivity Authority Bill³⁴ to receive a cabinet approval for submission to Parliament. It also assisted in the development of the Strategic Plan of PCK and the Key Issues for Achievement by MoLSSS so that projects on productivity improvement are well captured in the Second MTP of Vision 2030.

2.1 The National Productivity Policy and the National Productivity Authority Bill

The Government of Kenya recognises that productivity improvement is the key strategy to realise its national development as stated in the Kenya Vision 2030 and that the transformation of PCK into a stronger, independent agency is crucial in order to improve productivity in Kenya. With this consideration, developing a policy and a bill on productivity improvement was listed as a priority agenda item in the First MTP of Vision 2030 (2008-2012). After a long discussion involving various stakeholders, the National Productivity Policy (Sessional Paper No. 3 of 2013) and the National Productivity Authority Bill were submitted to Parliament for reading. The Policy and the Bill articulate the institutional structures for promoting productivity in Kenya.

The National Productivity Policy aims to accelerate economic growth through productivity improvement. Specifically, it aims to achieve 5% overall productivity growth per annum, with 4.5% growth in the public sector and 5.5% growth in the private sector. It also aims to increase productivity awareness to 60% of the population by 2030³⁵. In order to attain these objectives, the policy states a number of actions based on four pillars: i) nurturing productivity culture, ii) labour market development, iii) technological change and innovation, and iv) institutional and legal arrangements.

In the *productivity culture pillar*, the Government shall spearhead a national productivity campaign in order to widely disseminate concepts and tools relating to productivity improvement. In addition, it plans to integrate elements of productivity and related values into the education curriculum and skill-upgrading programmes. In the *labour market development pillar*, improvement of the working environment aims at sharing productivity gains and concepts between employers and the employees. It also advocates strict enforcement of the Employment Act, which regulates for stable job status and helps employees to accumulate knowledge and experience towards productivity improvement. Then, the *technological*

³³ The National Productivity Policy is shown in Appendix 6.

³⁴ The National Productivity Authority Bill is shown in Appendix 7.

³⁵ The baseline survey on productivity awareness was conducted by PCK in 2005. The target of 60% was set based on the benchmark of Eastern Asian Countries. For example, according to the study conducted by Malaysia Productivity Corporation, productivity awareness in business sectors (both public and private sectors) was 72% in Malaysia in 2012. Because of the inclusion of the schools, the target was set 60%, lower than in Malaysia.

change and innovation pillar supports the direction articulated by the Science, Technology and Innovation Policy and Strategy, which targets facilitating higher research and development (R&D) activities. Productivity improvement practice is also considered to be a key component for bringing about technology and innovation changes in the country. Finally, the *institutional and legal arrangement pillar* sets a framework in which a strong national body is established to spearhead nationwide productivity improvement and to facilitate inter-sectoral coordination of policy and programme among the public and the private sectors.

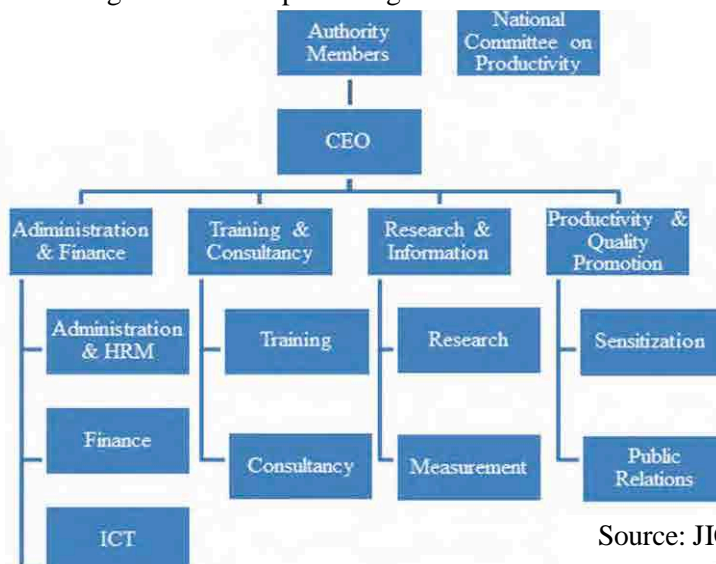
Figure 2-2-1: Objectives and Pillars of the National Productivity Policy



Source: JICA Project Team

The National Productivity Authority Bill actualises the National Productivity Policy articulated in the *institutional and legal arrangement pillar* stated above. With the enactment of the Bill, PCK shall be transformed into the National Productivity Authority (NPA), a semi-autonomous government agency under MoLSSS, with its aim to promote productivity activities and to showcase productivity improvement in Kenya. Figure 2-2-2 shows the proposed organisational structure after the expansion of PCK.

Figure 2-2-2: Proposed Organisational Structure



Source: JICA Project Team

The functions of the Authority Members, the Chief Executive Officer (CEO), and the National Committees on Productivity in NPA are suggested as follows:

- The Authority Members is the governing body of the organisation composed of representatives from the public and the private sectors appointed by the CS of MoLSSS.
- The administrative head of NPA is the Chief Executive Officer (CEO) appointed by the CS MoLSSS.
- Upon the decisions made by the Council Members, National Committee on Productivity shall be set up for key productivity agendas. It is the institutional framework for facilitating inter-sectoral coordination of policy and for marshalling the drive from the public- and private-sector initiatives on productivity improvement programmes. The Committee shall comprise stakeholders from the government, private sector, academia, and other professionals. It is proposed that the Committee be chaired at the highest level of Government.

The functions of the departments in NPA are suggested as follows:

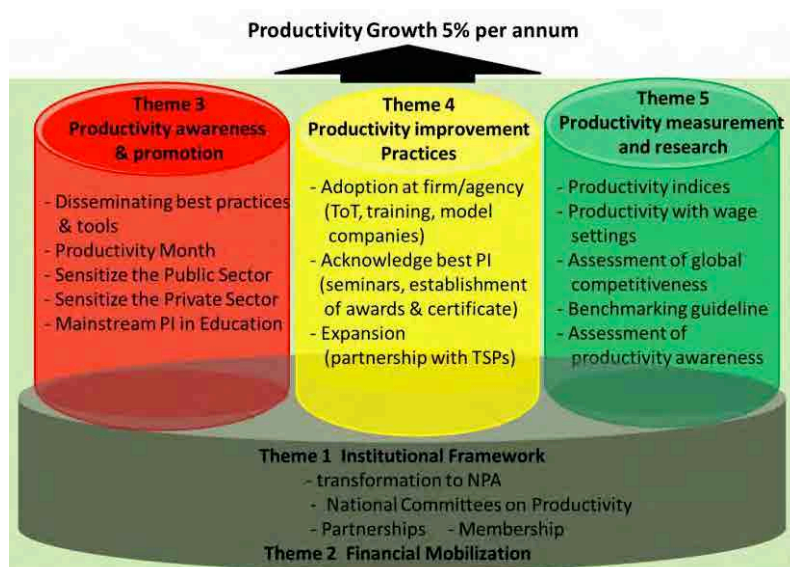
- The Administration & Finance Department is in charge of overall administration of the organisation, human resource management, finance, and information communication system (administration system, database, and website).
- The Consultancy & Training Department is in charge of i) consultancy services, ii) training of trainers, iii) training of managers or staff in the public and private sectors, iv) implementation of top executive seminars, and v) issuing certificates and awarding the best practice. The Department also manages the database of trainers/consultants for effective provision of productivity improvement services.
- The Research & Information Department is in charge of developing productivity indices (macro & micro) and conducting studies on productivity issues including the national productivity awareness survey and global competitiveness.
- The Productivity & Quality Promotion Department is responsible for conducting a national productivity campaign (productivity month), implementing productivity sensitisation programmes for the public and the private sectors, and mainstreaming productivity concepts and methods in education. This Department is also in charge of providing information on the best practices of productivity improvement and productivity tools.

2.2 Draft Strategic Plan of PCK 2013/2014-2017/2018

The draft Strategic Plan of PCK 2013/2014-2017/2018 further articulates the outline of activities in the next five years. Five themes of activities are outlined in the Plan: i) setting up an institutional framework, ii) financial mobilisation, iii) productivity awareness and promotion, iv) productivity improvement and practices, and v) productivity measurement and research (see Figure 2-2-3 and Appendix 8). Productivity

awareness and promotion (Theme 3) mostly accords with the *productivity culture pillar* in the Productivity Policy. It aims to disseminate the best practices of productivity improvement both in the public and the private sectors. PCK also plans to provide necessary materials for the productivity improvement to be taken up in the education sector. Productivity improvement and practices (Theme 4) relates to the *technological change and innovation pillar* articulated in the Productivity Policy. It aims to assist actual transfer and adoption of productivity improvement tools at the firm level through consultation and training. Then, productivity measurement and research (Theme 5) includes activities in the *labour market development pillar* in the Policy through provision of productivity indices and guidelines to be used for development in the labour markets. An outline of the Strategic Plan (Appendix 8) was constructed after confirming the role of PCK and its actions based on problems and objectives identified through the workshop among PCK staff and the JICA Project Team (Appendix 9 – Problem Tree and Objective Tree- Productivity Improvement in Kenya).

Figure 2-2-3: Draft Outline of the Strategic Plan (2013/2014-2017/2018)



Source: JICA Project Team

2.3 Draft of Five Key Issues of MoLSSS under the New Government

Under the new government formed in 2013, the Office of the President requested that each CS identify 5 key issues that each ministry should aim to achieve in the next 5 years. The departments, autonomous government agencies (AGAs), and semi-autonomous government agencies (SAGAs) under MoLSSS submitted one proposed key issue under their mandate with a high national impact. With the assistance of the JICA experts and based on the draft Strategic Plan 2013-18, PCK made the draft *Proposal of Key Issues for Implementation* in an aim to enhance the implementation of productivity improvement concepts and productivity improvement tools in the public and the private sectors in Kenya. This

proposal was selected one of the Five Key Issues in MoLSSS in July 2013. The details of the contents of the proposal are as follows:

[Objectives and performance indicators]

The objective is to implement productivity concepts and productivity improvement tools and techniques in the public and the private sectors in Kenya and to achieve incremental productivity growth of 5% per annum from the current level for accelerating economic growth.

(Indicators)

1. Number of companies/institutions that apply productivity improvement concepts and tools & techniques or methodologies
2. Ratio of workers who understand the importance of labour-management cooperation (An indicator will be set later.)
3. Ratio of labour disputes in companies/institutions reduced by the application of PI concepts and methods (An indicator will be set later.)

[Outputs and performance indicators]

1. Awareness of productivity concepts and improvement is enhanced in the public and private sectors in Kenya.
2. PI services are provided to the public and private sectors in Kenya.

(Indicators)

1. Increased productivity awareness level by 30% by 2017
2. Number of productivity consultation services and training programmes provided by the Technical Service Providers (TSPs) and PCK

Consultation: 100 companies/institutions per year

Training programme: 100 times per year

ToT programme: 10 times per year

[Activities]

- 1-1. To undertake national productivity campaigns
- 1-2. To integrate productivity concepts in the education curriculum
- 1-3. To undertake a productivity awareness survey
- 2-1. To implement consultation services in the private and public sectors
- 2-2. To implement training programmes in the private and public sectors

2-3. To implement the training of consultants/trainers

2-4. To implement '5S (quality work environment) Certification' in the private and public sectors

[Anticipated benefits and outcomes]

Implementation of productivity concepts and productivity improvement tools and techniques entail the strengthening of labour-management partnerships in Kenya through building trust between labour and management and their representatives; facilitating inclusion of the workers in decision making; improving communication structures; and addressing issues of information asymmetry. This state of affairs will improve creativity and innovativeness among workers and advance commitment. Then, they will ultimately enhance the quality of labour and create sound labour-management relations with reduced disputes, thereby positively impacting on enterprises' productivity and profitability.

3. Lessons from Other Countries

In this Project, successful cases of productivity promotion policies and productivity implementation strategies in other countries were learnt through a ‘training programme in Japan’, ‘observation mission in a third country (Malaysia) and ‘study in neighbouring countries (Ethiopia and Tanzania)’.³⁶ The lessons learnt are described in this section.

3.1 Japan

As shown in Figure 2-3-1, considering industrial human resource development on productivity improvement (PI), there are various service providers in Japan. As public service providers, under the policy of SMEs promotion, the Organization for SMEs and Regional Innovation of Japan (SMRJ) is responsible for providing and coordinating the services to SMEs. SME Universities offer various managerial training programmes related to PI to companies and private service providers. In addition, regional chambers of commerce and industry also provide management training and guidance.

As for private providers in the area of productivity improvement, the Japan Productivity Center (JPC), which specialises in overall management, business excellence, and productivity management, is one of the providers of training and consultation. Both the Japan Standard Association (JSA) and the Japan Union of Science and Engineering (JUSE) have expertise in total quality management and have provided various programmes to spread its concept. In addition, the Japan Management Association (JMA) and Chusanren also have strengths in management strategy and production management.

For the capacity development of management trainers/consultants, the Ministry of Economy, Trade and Industry established the Registered Management Consultant system in 1963. In the private sector, JPC established Management Consultant Certification system in 1958 and has trained more than 3,600 certified consultants.

Besides providing training and consultation on PI, JPC has driven the productivity movement in Japan. With the tripartite support of industries, trade unions, and academia, JPC formed national committees on various issues related to productivity improvement and made proposals to government. It has also provided productivity indices and established a platform for labour-management joint consultation, in order to enhance cooperation between labour and management. Regional productivity centres have worked to spread the concept and practice of PI at the regional level.

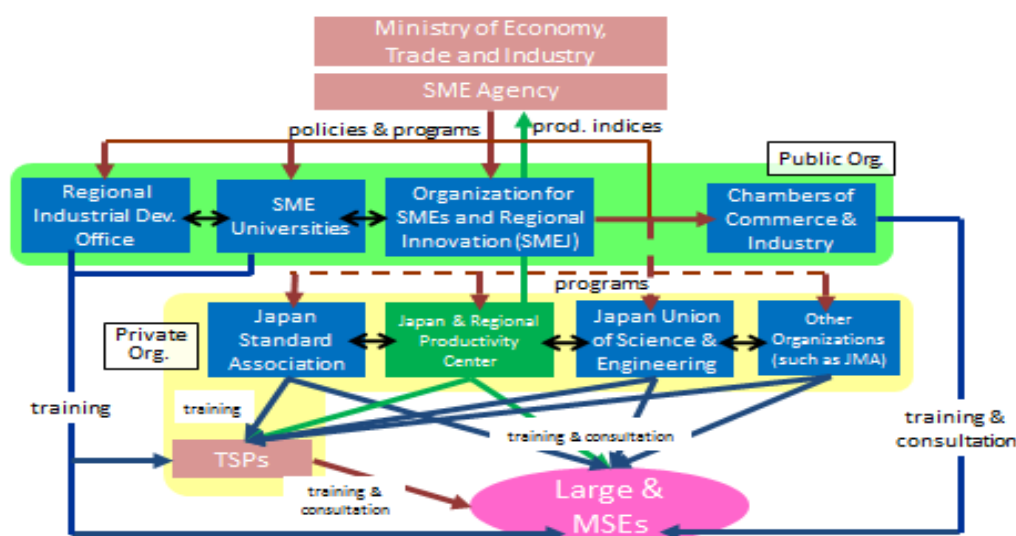
With these services provided, Japanese companies have enhanced productivity improvement. A key point of success is to develop top executives who can create an enterprise culture with the productivity (KAIZEN) concept and motivate all people in the company towards the same direction. Another key

³⁶ Outlines of ‘Training Programme in Japan’, ‘Observation Mission in a Third Country (Malaysia) and ‘Study in Neighbouring Countries (Ethiopia and Tanzania)’ are provided in Appendix 2-4.

point is to build practical and structured methods to implement PI and assist companies by training and consultation.

As for the linkage between wages and productivity, in many companies in Japan, personnel costs are divided into a fixed component and a variable component. Gain-sharing of productivity improvement is linked to the variable component. It leaves the company with flexibility in setting the wage level, according to changes of the productivity level.

Figure 2-3-1: Implementation Structure – Industrial HRD on PI in Japan



Source: JICA Project Team

3.2 Malaysia

The blueprint of economic development in Malaysia is Malaysia Vision 2020. It aims to 1) achieve average real GDP growth of 6.3% per annum; 2) transform into an upper-middle-income economy with low unemployment & inflation rate; and 3) transform into a manufacturing- & services-based economy. In order to achieve the target, the government set seven core strategies: (1) Creating a private-sector-led economy; (2) Supporting innovation-led growth; (3) Rationalising the role of government in business; (4) Developing small and medium enterprises (SMEs) as an engine of growth and innovation; (5) Strengthening the capability to compete globally; (6) Putting in place the infrastructure for growth; and (7) Focusing on key engines of growth ~ 12 National Key Economic Areas.³⁷

Under the core strategies, the Economic Transformation Programme (ETP) has been designed and new approaches (Table 2-3-1) have been adopted. ‘Growth through productivity’ is set as the priority.

³⁷ ‘1. Oil, gas & energy’, ‘2. Palm oil & rubber’, ‘3. Financial’, ‘4. Tourism’, ‘5. Business service’, ‘6. Electronics & electrical’, ‘7. Wholesale & retail’, ‘8. Education’, ‘9. Healthcare’, ‘10. Communications contents & infrastructure’, ‘11. Agriculture’, ‘12. Greater Kuala Lumpur/Klang Valley’

Table 2-3-1: New Approaches under Economic Transformation Programmes

<i>Old Approach</i>	<i>New Approach</i>
<i>1. Growth primarily through capital accumulation</i>	<i>1. Growth through productivity</i>
<i>2. Dominant state participation in the economy</i>	<i>2. Private-sector-led growth</i>
<i>3. Centralised strategic planning</i>	<i>3. Localised autonomy in decision-making</i>
<i>4. Balanced regional growth</i>	<i>4. Cluster- and corridor-based economic activities</i>
<i>5. Favouring specific industries and firms</i>	<i>5. Favouring technologically capable industries and firms</i>
<i>6. Export dependence on G-3 (US, Europe, and Japan) markets</i>	<i>6. Asian and Middle East orientation</i>
<i>7. Restrictions on foreign skilled workers</i>	<i>7. Retaining and attracting skilled professionals.</i>

Source: ETP Policy Paper

Under the governmental policy to develop the private sector and SMEs, there are the key parastatals such as SME Corp., the Malaysian Investment Development Authority (MIDA), SME Bank, MATRADE, and Malaysia Productivity Corporation (MPC) (Figure 2-3-2). They provide various programmes to support SMEs in terms of innovation and technology, access to finance, access to markets, human capital development, etc. The system called ‘SCORE’ developed by SME Corp., to assess the capacity of SMEs, has been utilised for examining their readiness for the programmes.

MPC was established in 1962 as a statutory body under the Ministry of International Trade and Industry. MPC’s role, driving productivity and efficiency improvements in Malaysia, has been specified in Vision 2020 and policies such as the New Economic Model and ETP. MPC’s activities consist of ‘Enterprise innovation’, ‘Business excellence’, ‘Knowledge management’, ‘Global competitiveness’, and ‘Regulatory review’. Training and consultation on PI is implemented under ‘Enterprise innovation’, while productivity measurement is conducted under ‘Knowledge management’.

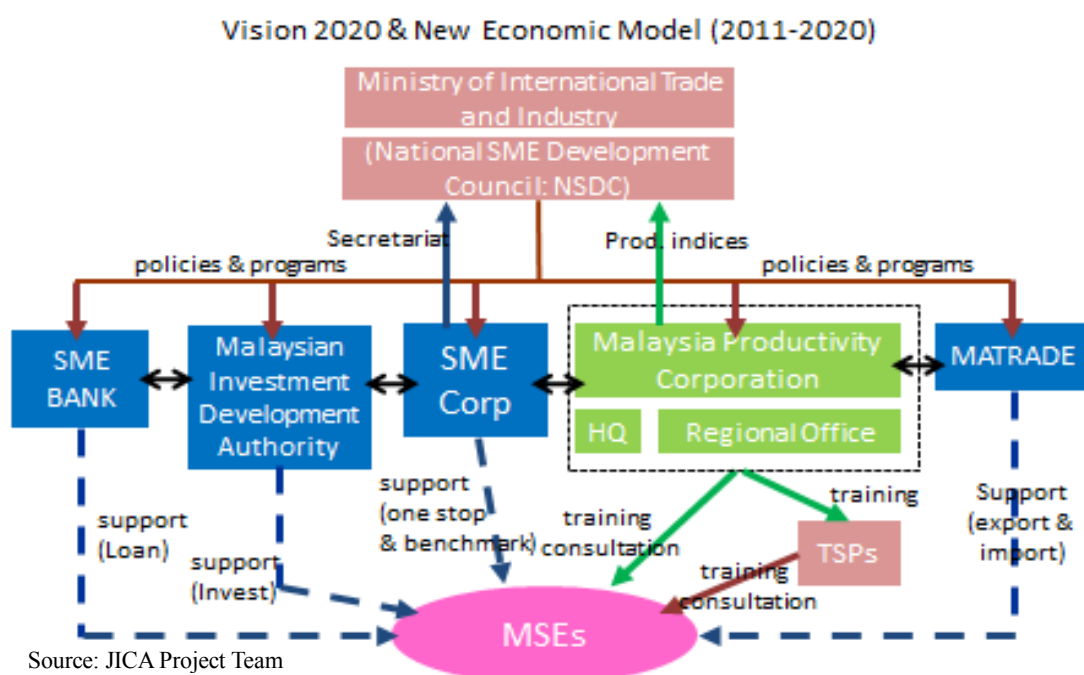
QE (quality environment)/5S Certification and the Innovative Creative Circle are the methods established by MPC to enhance productivity improvement throughout Malaysia. QE/5S Certification aims to certify those organisations with a sufficient level of 5S implementation and QE improvement at the workplace. MPC provides training for organisations and TSPs in capacity of 5S assessment. QE/5S Certification criteria have been adopted by 1,286 organisations in both the private and public sectors, as of December 2012. Based on the what has been learnt from QE-/5S-certified organisations, it is understood that QE/5S Certification has brought various benefits to the organisations, including ‘an efficient and cost effective operation system’, ‘safety in workplace’, ‘an excellent base for preparing other international standards’, ‘high morale among workers’, and ‘delivery of quality services and products’.

The Innovative Creative Circle (ICC) is also a concept developed by MPC based on the Quality Control Circle in Japan. MPC promotes the implementation of small-group activities in the private and the public sector, in order to solve various problems at the workshop. MPC clarifies the criteria for evaluating the

implementation of ICC. Selected ICC teams participate in the National ICC Convention and compete for the National Team Excellence Awards. In 2012, 170 teams (63 from the public/governments, 55 from service-related companies, and 52 from manufacturing-related companies) participated in the National Convention.

As for the provision of productivity indices, MPC has published a ‘Productivity Report’ annually since 1994, to show the level of productivity and competitiveness in national, international sectoral, and selected industries. For the enterprise level, MPC has established a productivity-linked wage system and used it in consultation for individual companies to establish a gain-sharing wage system.

Figure 2-3-2: Implementation Structure of SME Development and PI in Malaysia

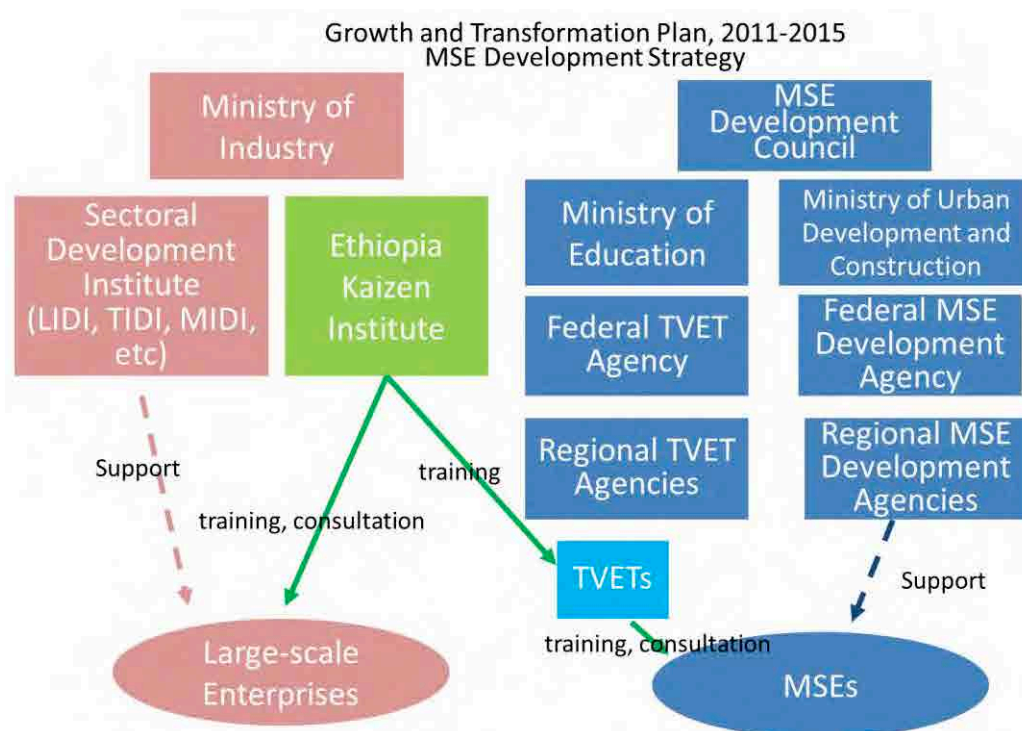


3.3 Ethiopia

Efforts to disseminate KAIZEN concepts and tools were initiated through the strong and direct initiative of late Prime Minister Meles who requested technical cooperation of the Government of Japan in 2008. The first phase of the JICA project started in 2009 with a special task force formed in the Ministry of Industry (MoI). Then, in 2011, at the start of the second phase of the JICA project, the Ethiopia KAIZEN Institute (EKI) was established as a semi-autonomous public agency. It now has 77 staff who receive training under the JICA project. The uniqueness of KAIZEN dissemination in Ethiopia is the in-depth collaboration with TVET institutions. A five-year plan of Ethiopia, called the Growth and Transformation Plan (2009-2014), and the MSE Development Strategy adopted in 2011 gave a new mandate for technology transfer and industrial extension service for MSEs to TVET. KAIZEN is stated as being one of the key components to support MSEs by TVET. While EKI works for large and

medium-scale enterprises together with the Sectoral Development Institute of MoI, training and consultation services are provided through TVET together with MSE development agencies. So the JICA project also provides training to selected TVET trainers withdrawn from leading TVET institutions in various regions, having MSEs as model consultancy firms.

Figure 2-3-3: Implementation Structure of KAIZEN Dissemination in Ethiopia



Source: JICA Project Team

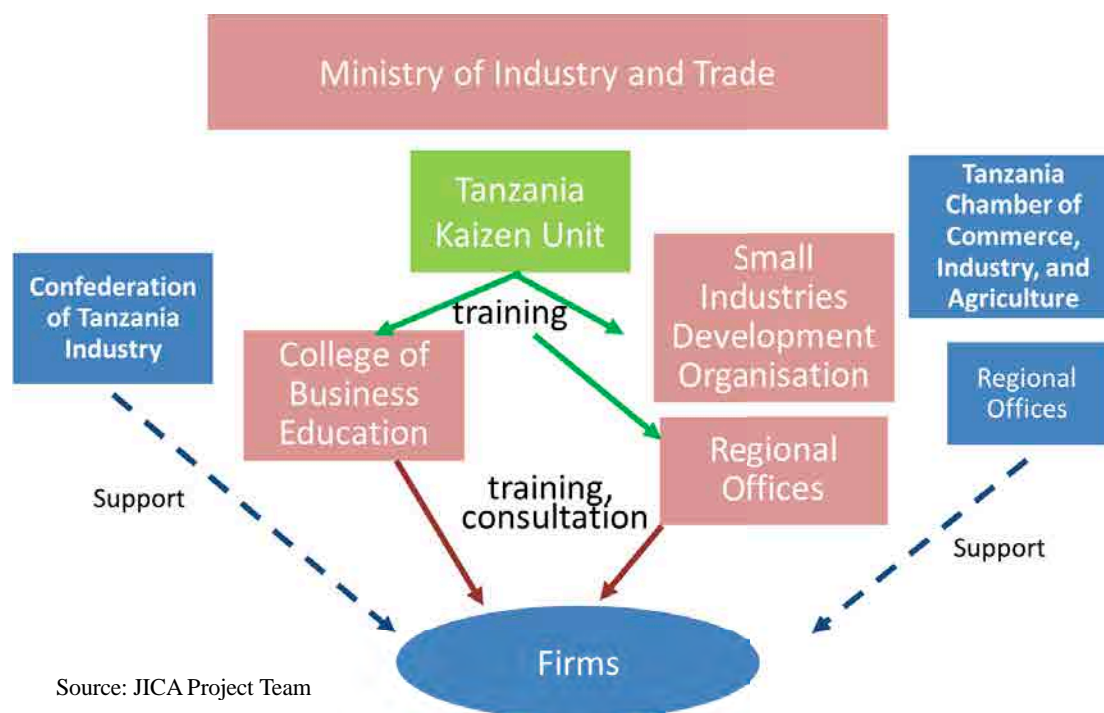
In addition, Ethiopia used to receive support from the Government of Germany for a project called the Engineering Capacity Building Programme between from 2005 to 2012. One target of the Programme was the capacity building of TVET. Also, learning from the best practices in Australia, the Programme assisted in developing Occupational Standards (OS) for various subjects. Each OS is designed to have 70% practical application and 30% theory. Based on OS, ToT sessions are conducted for the lecturers of TVETs. The productivity improvement component, which used to be covered only at the fourth level of OS, is now completely reviewed for effective dissemination of KAIZEN not only to managers but also to workers in factories.

3.4 Tanzania

Efforts to disseminate KAIZEN activities have just started in Tanzania. A new JICA project was established in 2013 together with a special task force, called the Tanzania KAIZEN Unit (TKU), in the Ministry of Industry and Trade. The Unit collaborates with the College of Business Education and the Small Industrial Development Organisation (SIDO), which are both agencies under the Ministry of

Industry and Trade. A potential dissemination route of KAIZEN efforts in Tanzania is the regional network of SIDO. It has 21 regional offices, each staffed by approximately 10 officers. In addition, although there is still no network of KAIZEN activities, the Tanzania Chamber of Commerce, Industry, and Agriculture also has 26 regional offices, each equipped with an information service desk. Such a regional support system can be effective in widely disseminating KAIZEN practices throughout Tanzania in the future.

Figure 2-3-4: Implementation Structure of KAIZEN Dissemination in Tanzania



Part III. Pilot Activities and Technical Transfer

1. Consultation for Pilot Companies

1.1 Basic Policy of the Activity

The basic policies of consultation for pilot companies were finalised as follows.

- (1) The main objective of the consultation was to enhance the consultation skills of PCK consultants.
The training of consultants included ‘Classroom training,’ ‘Consultation (OJT),’ ‘C/P meetings (experience-sharing meetings)’ and ‘Making a consulting report and case sheets’.
- (2) Consultation was implemented through six visits or more by the JICA experts and PCK consultants.
In addition, PCK consultants made some visits by themselves when a JICA expert was not in Kenya.
- (3) Twelve pilot companies were included in total, consisting of six organisations in both the first and second year.
- (4) The selection of pilot companies/organisations was done through ‘shortlisting,’ and ‘on-site visit’.

1.2 Suggestions from Stakeholders

In April 2012, the Team visited the stakeholder organisations in the Project. The Team received several suggestions/requests regarding consultation for pilot companies/institutions. The Team and PCK took them into serious consideration and made possible modifications, as shown in Table 3-1-1.

Table 3-1-1: Suggestions & Modifications on Implementation of Consultation for Pilot Companies

	Suggestions/Requests	Modification
MoLSSS	Involvement of the public (governmental) sector because the public sector should become the model of productivity improvement, in order to promote it	Not included as pilot organisation However, PCK will implement productivity improvement activities for the public sector, by utilising the skills developed through this Project.
NESC	Direct contribution of the Project to the cluster initiative ³⁸ in the pilot consultation activity	Contribution through training KIBT regional staff in the cluster areas through ToT for TSPs Some industrial priorities, such as agro-industry & service (tourism), will be selected as pilot organisations.
FKE	Involvement in the selection of pilot companies; Suggestion for involving companies with well-established administrative structures, in order to give consultant C/Ps the opportunity to learn from difficult consulting cases	A list of the companies was provided by FKE. And PCK consulted with FKE in the process of selection. Involving a few of the companies with well-established administrative structures is considered.
KAM	Involvement in the selection of pilot companies (especially SMEs)	PCK requested KAM to send a list of the companies, but it was not sent to PCK.
JICA /Embassy	Involvement of Japanese-related organisations in the pilot consultation activity	Decision to select one Japanese-related company in the second year

Source: JICA Project Team

³⁸ Cluster Initiatives are the strategies to enhance competitiveness under Vision 2030, initiated by NESC. 12 priority clusters (transport and logistics at Mombasa Port, horticulture, sugar, tea, tourism, marine and inland fisheries, livestock, energy, ICT, maize, cotton and dairy) were selected and the areas to promote these clusters were specified. Various programmes were developed to enhance the clusters.

1.3 Categories of Pilot Companies

In considering the suggestions from stakeholders, a draft of the categories of pilot companies selected was made, as shown in Table 3-1-2.

Table 3-1-2 Categories of Pilot Companies

	Pilot 1	Pilot 2	Pilot 3	Pilot 4	Pilot 5	Pilot 6
1st Year Period (Nairobi)	Manu-small or medium [20-200]	Manu-small or medium [20-200]	Manu (Medium-Bigger, with well established administrative structure)	Manu (agro processing)		
2nd Year (Nairobi and other area)	Manu-small or medium [20-200]	Manu-small or medium [20-200]	Manu-small or medium [20-200]	Manu-small or medium [20-200]	<u>Japanese related company, including export products' producer to Japan</u>	Service (tourism)

* [] is the number of employees.

Source: JICA Project Team

The main points considered were as follows:

- In the initial plan, 10 companies were planned to be selected. However, in the modification of the plan, the JICA-Team and PCK agreed upon selecting 12 companies in total, 6 companies in the first year and 6 companies in the second year.
- Half of the pilot companies consisted of ‘manufacturing, small, and medium companies.’ In consultation with PCK, the size of small-medium companies was specified as ‘having 20-200 employees.’
- Considering the suggestion from FKE, pilot companies should include a few companies (medium-bigger) with well-established administrative structures, in order to give consultant C/Ps the opportunity to learn from difficult consulting cases.
- Some of the companies in the ‘agro-processing industry’ were included, because they were one of the thrust industries of the national policy.
- ‘Japanese-related companies’ were also included, based on a suggestion from the Japan Embassy and JICA. The companies were shortlisted based on the recommendation of JICA/JETRO.
- One company in the ‘service industry (tourism)’ was to be selected, because the industry is one of the thrust industries of the national policy. It was would be in the second year when the consultant C/Ps have obtained sufficient consulting skills from the OJT in manufacturing companies. The companies were shortlisted by PCK.

1.4 Selection Criteria

The JICA Expert Team proposed the criteria for selecting the pilot companies (Table 3-1-3). The table also describes the reasons for choosing each criterion.

Table 3-1-3: Proposed Selection Criteria and Reasons

Selection criterion	Reasons for choosing as a criterion
1. Commitment of top executives (Expectation, cooperation, involvement)	This is essential for implementing/sustaining consultation activity
2. Permission to take photos and videos, and to make an analysis of KAIZEN	This is necessary for analysing the current status of productivity improvement and showing the results of consultation activity.
3. Cooperation in the provision of management data and publicity of pilot activities	Without this cooperation, it is difficult to analyse the current level of productivity improvement, or the results obtained through consultation. Permission for publicity is important for utilising the results to sensitise the effectiveness of productivity improvement to other companies.
4. Allocation of a person in charge of receiving the consultant team and provision of working space	It is necessary to designate a person in charge to gain management information of the pilot organisation efficiently, make a practical consultation proposal, and apply the proposals by the consultant team. The working space is necessary to implement consultation activities.
5. Stability of management performance	This is also essential for implementing/sustaining consultation activities. A company with the risk of bankruptcy cannot afford to cooperate with consultation on continuous productivity improvement.
6. Suitable themes for KAIZEN consultation	Since the consultation is on-the-job training of PCK consultant C/Ps, the pilot organisation must have suitable themes for KAIZEN consultation. Considering the variety of consultation themes, organisations that can provide different learning opportunities for C/Ps will be chosen.

Source: JICA Project Team

The selection criteria were presented by the JICA Team at the first JCC and accepted.

1.5 Selection of Pilot Companies

(1) Shortlist of Pilot Companies

The total number of shortlisted companies was 10 companies for the first year and 12 companies for the second year. As for the ‘Manufacturing Category’, a shortlist was made from the company lists provided by PCK, MoIED, and FKE. As for the ‘Japanese-related Company Category’, the candidate companies were shortlisted based on a recommendation from the JICA Kenya Office and JETRO Nairobi Office. As for the ‘Service (tourism) Category’, two hotels were nominated based on the client list of PCK.

(2) Selection of Pilot Companies

The JICA Team and PCK visited the shortlisted companies and made a diagnosis of the companies, following the selection criteria. 6 pilot companies were selected for the first year and the other 6 pilot companies were selected for the second year. The selected companies are listed in Table 3-1-4 and 3-1-5.

Table 3-1-4: List of Selected Companies for the First Year

No.	Name	Main products	Category	Introduction
1	Super Manufacturers Ltd.	Fibreglass products	Small & non-food	PCK
2	Specialised Towels Manufacturers Ltd.	Towels, blankets	Small & non-food	MoIED
3	Supacosm Products Ltd.	Honey, peanut butter	Small & food	MoIED
4	Vegpro Kenya Ltd.	Vegetables	Large & food	PCK
5	Universal Corporation Ltd.	Pharmaceutical products	Large & non-food	PCK
6	C&P Shoe Industries Ltd.	Footwear	Large & non-food	FKE

Source: JICA Project Team

Table 3-1-5: List of Selected Companies for the Second Year

No.	Name	Main products	Category	Introduction
1	Greenforest Foods Ltd.	Honey, peanuts	SME & food	MOIED
2	DAWA Ltd.	Pharmaceutical	SMEs & non-food	FKE
3	Rukuriri Factory, Kenya Tea Development Agency	Tea leaf	Japanese related	JETRO/JICA
4	Auto Springs Manufacturers Ltd.	Automobile parts	SME & non-food	FKE
5	Windsor Hotel	Hotel	Service	PCK
6	AVA Ltd.	Assembling trucks	Japanese related	JETRO/JICA

Source: JICA Project Team

Among the pilot companies selected for the second year, Rukuriri Factory of the Kenya Tea Development Agency exports its products to Japan by a partnership with Zensho Corporation. AVA assembles the trucks of Japanese automobile manufacturers, such as FUSO and HINO. In addition, Auto Spring was found to supply parts to some Japanese automobile manufacturers. Therefore, there were three companies that have business relations with Japanese companies among the selected pilot companies.

1.6 Training for PCK's Consultants

(1) Classroom Training

In order to transfer the necessary skills for consultancy activities to pilot companies/organisations, classroom training of C/Ps was implemented from 16th to 20th July, 2012, for five days. The theme of the training was 'KAIZEN based on the Toyota Production System (TPS)', which was the consulting approach applied in this Project.

TPS is the structure of KAIZEN methods that Toyota Motor Corporation has accumulated through the practices of productivity improvement in the company. TPS aims at absolute elimination of *muda* (waste) in order to reduce costs. TPS is the structure of various productivity improvement methods that

directly lead the company to achieving this objective. TPS is a typical method for realising a leaner production system. TPS has been applied to companies and organisations all over the world and is believed to be a practical and effective method of improving productivity both in the manufacturing and service sectors. TPS can be realised through ‘5S+Visual Control + Mindset Revolution’ as the first step, followed by ‘*Muda-Dori* (Waste Elimination)’ as the second step, as shown in Figure 3-1-1.

Figure 3-1-1: Concept of TPS



Source: JICA Project Team

The previously mentioned training on ‘KAIZEN Based on TPS’ was conducted at PCK with a total of 13 participants: 4 from PCK, 1 from the Ministry of Industrialisation, 5 from Technical Service Providers (TSPs), and 3 from the private sector (industries). The main study items are shown below:

- To understand the concept of TPS
- To understand the importance of 5S and visual control in TPS
- To understand ‘just-in-time production’
- To understand JIDOKA (autonomation)
- To understand the importance of quality assurance in TPS
- To understand the DANDORI (SMED) and KANBAN system

The 13 participants successfully completed the training with almost full attendance. As for PCK consultant C/Ps, the acquired knowledge and skills were utilised in the consultation activities for pilot companies/institutions.

As for TSPs, they were expected to implement or spread the concept through training and consultation. Participants from the private sector expressed great interest in and expectations of this JICA Project and future PCK activities. Participants from the public sector showed their expectation of PCK being strengthened to offer beneficial services on PI to the public sector in the future.

(2) Results of the Training Activity

In this Project, consultation skills in productivity improvement was transferred through ‘CP training in the classroom’, ‘Consultation activities for pilot companies (including selection of pilot companies and follow-up visit of consultation)’, ‘C/P meetings for sharing consultation experience and additional training’, and ‘Observation of ToT’. The total hours provided for the training were about 510 (shown in Table 3-1-6). Apart from these, the C/Ps made consultation reports and case sheets, with the assistance of the JICA expert.

As a result of the training, four CPs have become capable of conducting consultation on PI, and more specifically, of assisting the implementation of 5S, application of visual control, and improvement of the production process. In addition, they have been sufficiently able to train new staff in consultation skills.

Table 3-1-6: Results of the Training Activity

Description	Times	Hours/ Each Time	Total Hours
CP Training (Classroom Training)	5	6	30
Selection of Pilot Companies	21	3	63
Consultation	90	3	270
CP Meeting & Additional Training	46	1.11	51
Follow Up Visit of Consultation	4	3	12
Observation of ToT on KAIZEN Based on TPS	14	6	84
Total			510

Source: JICA Project Team

1.7 Implementation of Consultation

(1) Numbers of Visits for Consultation for Pilot Companies

The consultation consisted of six visits or more by the JICA-PCK Consultant Team (Mr. Ikeda and PCK consultants). During Mr. Ikeda’s absence from Kenya, PCK independently visited the pilot companies (approximately once a month) and implemented consultation activities according to the guidelines set by Mr. Ikeda. After his arrival, he checked the results of the consultation by PCK consultants.

Table 3-1-7 shows the ‘Numbers of Visits for Pilot Companies’ in both the first and second year. In total, 121 visits were provided and there were 9-14 visits per company. Through the visits, PCK consultants have developed practical capacity and experience in consultation activities for productivity improvement.

Table 3-1-7: Numbers of Visits for Pilot Companies

[Pilot Companies for First Year]						
	Period 101 Jul – Aug/2012		Period 102 Oct – Dec/2012		Period 103-1 Jan – Feb/2013	
Pilot Companies Name	with Ikeda (Jul–Aug)	CPs Only (Aug–Oct)	w/ Ikeda (Oct – Dec)	CPs Only (Dec–Jan)	w/Ikeda (Jan – Feb)	Total
Super Manufactures Ltd.	1	3	4	2	1	11
Specialised Towel Manufacturers Ltd.	1	4	5	2	1	13
Supacosm Products Ltd.	1	7	5	0	1	14
Vegpro (K) Ltd.	1	2	4	1	1	9
Universal Corporation Ltd.	1	4	4	0	1	10
C & P Shoe Industries Ltd.	1	6	3	1	2	13
Total	6	26	25	6	7	70

[Pilot Companies for Second Year]						
	Period 201 Jun – Aug/2013		Period 202 Sept–Dec/2013		Period 103-1 Jan – Feb/2013	
Pilot Companies Name	with Ikeda (Jun–Aug)	CPs Only (Jun–Aug)	w/ Ikeda (Sept–Dec)	CPs Only (Sept–Jan)	w/Ikeda (Jan – Feb)	Total
Green Forest Foods Ltd.	4	0	4	0	1	9
DAWA Ltd.	3	1	4	1	1	10
Rukuriri Tea Factory	2	0	4	0	1	7
Auto Springs Manufacturers Ltd.	2	1	4	0	1	8
Windsor Hotel	2	2	5	0	1	10
Associated Vehicle Assembler Ltd.	2	0	4	0	1	7
Total	15	4	25	1	6	51

Source: JICA Project Team

(2) Results of Consultation for Pilot Companies

The consultation themes were decided according to the priority issues of the companies. As shown in Table 3-1-8, the themes included ‘implementation of 5S’,³⁹ ‘productivity improvement in a specific production process’, ‘improvement of machine maintenance’, etc. There were differences in the results, for various reasons, including commitment of top executives, level of participation of company managers/staff/workers, degree of difficulty, etc. The average improvement ratio by the six pilot companies was 106% for the first year and 228.9% for the second year.

³⁹ The level of 5S implementation is assessed by the JICA-PCK Team at the following five levels, ‘Very Good Level (81-100%)-Top level in Kenya’, ‘Good Level (61-80%)-Excellent level in Kenya’, ‘Average Level (41-60%)-Good level to invite others’, ‘Poor Level (21-40%)-There are 5S activities, but poor’, and ‘Very Poor Level (0-20%)- No 5S activities’. ‘Improvement level of 5S Implementation (Before – After the pilot consultation)’ is shown as Appendix 10.

Table 3-1-8: Results of Consultation for Pilot Companies

[Pilot Companies for the First Year]

Company Name	Kaizen Theme	Improvement
Super Manufacturers	Reduction of Lead Time in Bath Tub Ass'y.	0 %
	5S Activities (Model Area)	20 %
	SUM	20%
Specialised Towel Manufacturers	Reduction of Finished Goods Stock	46.9 %
	5S Activities (Model Area)	30 %
	SUM	76.90%
Supacosc Products	Productivity of Honey Assembly	100 %
	Peanuts Butter Assembly	214.6 %
	Soya Assembly	11.5 %
	5S Activities (Total Factory)	30 %
	SUM	356.10%
Vegpro (K)	Bean Assembly	56.5 %
	Reduction of Indirect	39 %
	5S Activities (Model Area)	30 %
	SUM	125.50%
Universal Corporation	Machine stoppage (on going)	0 %
	5S Activities (Model Area)	30 %
	SUM	30%
C & P Shoe Industries	Machine stoppage (on going)	0 %
	5S Activities (Model Area)	30 %
	SUM	30%
	Average	106 %

[Pilot Companies for the Second Year]

Company Name	Kaizen Theme	Improvement Ratio
Green Forest Ltd.	Productivity Kaizen of Honey Bottling Process	377 %
	Productivity Kaizen of Peanut Packing Process	261.6 %
	5S Activities	25 %
	SUM	663.6%
DAWA Ltd.	Kaizen of Machinery Stoppage (BP102)	0 %
	Kaizen of Assembly Process (After BP102)	0 %
	5S Activities	35 %
	Sum	35%
Rukuriri Tea Factory	Productivity Kaizen of Packing Process	84.4 %
	Productivity Kaizen of Shipping (Dispatch)	47.6 %
	Kaizen of Machinery Stoppage (MTBF)	21.1 %
	Productivity Kaizen of Binning Process	254.9 %
	Prevention of Spilling Tea	0 %
	5S Activities	35 %
	SUM	443%
Auto Springs Manufacturers Ltd.	Productivity Kaizen of Wiring Harness Process	41.6 %
	Productivity Kaizen of Bolts and Nuts Process	0 %
	Productivity Kaizen of Leaf Springs Process	20 %
	5S Activities (Model Area)	30 %
	* Sold Amount of Scrap is 1.5 M KSH	
	SUM	91.6%
Windsor Hotel	Kaizen of House Keeping	0 %
	Kaizen of Maintenance	0 %
	Kaizen of Restaurant Service (+ Kitchen)	39 %
	5S Activities (Model Area)	30 %
	SUM	69%
Associated Vehicle Assembler Ltd. (AVA)	Productivity Kaizen of Line 1 (Fuso)	18.1 %
	Productivity Kaizen of Line 2 (CANTER)	18.1 %
	5S and Visual Control	35 %
	SUM	71.2%
	Average	228.9 %

Source: JICA Project Team

(3) Individual Results from Pilot Companies

[First Year]

1) Super Manufacturers Ltd.

The target improvement themes were set as i) Improvement of Bath Tub Assembly and ii) 5S.

i) Improvement of Bath Tub Assembly

The Team proposed that the company should collect data on production lead time, because there was no time control on the progress of bath tub assembly. A record sheet of the lead time was prepared.

ii) 5S

A clear result from Super Manufacturers was shown in the 5S activities. During the JICA expert's absence (August 2012), a PCK consultant implemented 5S training and 5S consultation. As a result, the 5S Team (15 members) was formed and 5S activities were implemented in the two selected model areas ('Maintenance Tool Stock Area' and 'Finishing Mold Storage Area'). The level of 5S implementation was improved by **20%** (from 10% to 30%).



5S Training by a PCK Consultant



5S Team

5S (Maintenance Tool Stock Area)



Before



After (Feb. 2013)

2) Specialised Towels Manufacturers Ltd.

The target improvement themes were set as i) Reduction of Finished Goods Stock, ii) Machinery Stoppage, and iii) 5S.

i) Reduction of Finished Goods Stock

Previously, there was a lot of dead stock and not much active stock. The JICA/PCK Team proposed reducing the stock by setting the standard of finished goods stock to less than one month, promoting sales of dead/non-active stock, and implementing 5S and visual control in the area. Based on the proposal, the company promoted sales according to the classification of products. As a result, the value of the stock kept in the inventory was reduced **by 46.9%** and contributed to the profit (Table 3-1-9).

Table 3-1-9: Improvement of Finished Goods Stock

	Dec. / 2011	Dec. / 2012	Reduced
First Quality Products	5 m KSH	2.5 m KSH	2.5 m KSH
Second Quality Products	3 m KSH	1.25 m KSH	1.75 m KSH
Total	8 m KSH	3.75 m KSH	4.25 m KSH

Source: JICA Project Team

↓ ----- ↑

46.9% reduced

Reduction of Finished Goods Stock



ii) Machinery Stoppage

One machine (towel sewing machine) was selected as model machine. The Team proposed that the company collect data about machinery stoppage time, which included breakdown, model change, and material shortages. Taking of data was started, but improvement had not been realised.

iii) 5S

During the absence of the JICA expert, the PCK consultant visited the company four times and provided

‘5S training’ and ‘5S consultation’. It triggered implementation of 5S activities in the company. As a result, the level of 5S has been improved **by 30%** (from 10% to 40%).

Specialised Towels Manufacturers was visited by the participants of ‘ToT on KAIZEN based on TPS’ as one of the pilot companies with the best practice of 5S and KAIZEN activities.



3) Supacosm Products Ltd.

The target improvement themes were set as i) Productivity Improvement of Production Processes of Honey, Peanut Butter, and Soya and ii) 5S.

i) Productivity Improvement of the Production Processes of Honey, Peanut Butter, and Soya

The productivity of the honey production process, peanut butter process, and soya process were analysed. In all the three lines, the job allocation between operators was not balanced, and there were many waiting time of operators before the operation. In addition, the work tables were so low and small, and there were a lot of unnecessary items on the table.

The JICA-PCK Team made recommendations, such as introduction of one piece production, adjustment of job allocation, improvement of working table, etc. Most of the recommendations were taken into practice. As a result, the following improvements were achieved.

[Honey Production Process]	
Productivity– <u>Before (Oct. 2012)</u> 480 pcs / 2 hours / 2 persons	→ 120 pcs / hour / person
<u>After (Jan. 2013)</u> 480 pcs / 2 hours / 1 person	→ 240 pcs / hour / person
<u>Improvement Ratio</u> = $[(240 - 120) / 120] \times 100\% = \underline{\underline{100\% \text{ up}}}$	
[Peanut Butter Production Process]	
Productivity– <u>Before (Oct. 2012)</u> [6 basins x 57 kg/basin] / (8 hours x 3 persons) = 14.25 kg/hour/person	
<u>After (Jan. 2013)</u> [10 basins x 57 kg/basin]/(8 hours x 3 persons+2 hours x 1 person)=21.92 kg/hour/person	
<u>Improvement Ratio</u> = $[(21.92 - 14.25) / 14.25] \times 100\% = \underline{\underline{53.8\% \text{ up}}}$	
[WIP Reduction] WIP Reduction Ratio = $[(540 - 5) / 540] \times 100\% = \underline{\underline{99\% \text{ reduced}}}$	
[Space Reduction] Space Reduction Ratio = $[(9 \text{ m}^2 - 4.4 \text{ m}^2) / 9 \text{ m}^2] \times 100\% = \underline{\underline{51.1\% \text{ reduced}}}$	
<u>Total 214.6% up</u>	

[Soya Production Process]

Productivity – Before (Oct. 2012) (345 kg) / (6.5 hours x 4 persons) = 13.269 kg/hour/person

After (Jan. 2013) = (473.75 kg) / (8 hours x 4 persons) = 14.805 kg/hour/person

Improvement Ratio = [(14.805 – 13.269) / 13.269] x 100 % = **11.5 % up**

Production Process Improvement (Peanut Butter Production Process)



Before
(1. The process was not balanced.)
(2. The table was too low.)



After (Nov. 2012)
(1. The process was one-piece flow.)
(2. The table height was suitable.)

ii) 5S

Based on the assistance of the JICA-PCK Team, the company implemented 5S at the factory level. The level of 5S is improved by **30%** (from 10% to 40%) and a visual control system has been introduced throughout the factory.

5S (Cleaning the Walls)



Before (Oct. 2012)



After (Feb. 2013)

4) Vegpro (K) Ltd.

The target improvement themes were set as i) Improvement of the Bean Production Process, ii) Reduction in the Number of Indirect Members in the Vegetable Packing Area, and iii) 5S.

i) Improvement of the Bean Production Process

Before the KAIZEN, there were operators who sometimes waited before the operation. In addition, unnecessary trays were put between operators, which occupied many space. The operators worked at crowded space and they needed to bend when they picked up the beans (before processed), since the trays with the beans were kept in the low height under the worktable.

The recommendations, such as adjusting job allocation, eliminating unnecessary trays (which gave the operators more space for operation), improving worktable and position of the trays with unprocessed beans, were applied and productivity at the bean production process was improved by 56.5% as below.

[Productivity Improvement–Bean Production Process]

Before (January-March 2012) 36.8 kg/day/person

Current (October-December 2012) 57.6 kg/day/person

Improvement Ratio = $[(57.6 - 36.8) / 36.8] \times 100 \% = \mathbf{56.5\% \text{ up}}$

ii) Reduction in the Number of Indirect Members in the Vegetable Packing Area

The production process, operation, and labour allocation (line balance) by operations were assessed. As a result, **39%** of the workers (64 persons = [Before] 166 persons – [After] 102 persons) were identified as being excessive. The jobs were re-arranged and these workers were transferred to other work areas.

iii) 5S

Vegpro enhanced the 5S activity by forming the 5S Committee, and the PCK consultant implemented 5S training for the 5S Committee members (15 members) in August 2012. In addition, the JICA expert implemented additional training in 5S, safety, and maintenance in November 2012. These inputs supported the implementation of 5S in the company.

As a result, various food results of 5S were achieved and the level of 5S was improved by **30%** (from 10% to 40%, as of February 2013).



Training Provided by the JICA-PCK Team



5S Training for 5S Committee Members by the PCK Consultant (09 Aug. 2012)



Training for 5S Committee Members and Maintenance Members by the JICA Expert (14 Nov. 2012)

Introduction of a 5S Notice Board



5S Notice Board



Meeting in front of the 5S Notice Board

5) Universal Corporation Ltd.

The target improvement themes were set as i) Improvement of the Packing Process and Machine Stoppages and ii) 5S.

i) Improvement of the Packing Process and Machine Stoppages

The JICA-PCK Team proposed that the company should collect related data, in order to analyse current status, discover issues, and take countermeasures. It was recommended that data on the specific line and selected machine be gathered. However, there was the difficulty of changing the system and no data collection was implemented during the Project period.

ii) 5S

5S activity was implemented very successfully and the company was regarded as a showcase for 5S. The 5S Committee (20 members) was formed and 5S activities were widely started in the company. The

improvement ratio was **30%** (from 10% to 40%).

[5S Model Area: Microbiology Room]

First Step (04 Jul. 2012)



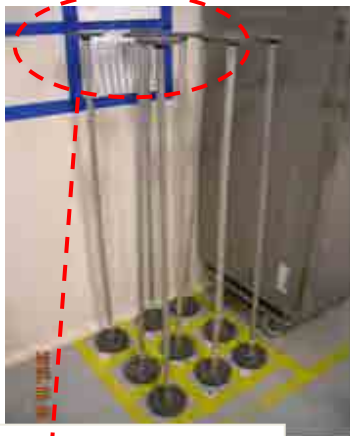
There is no fixed position for each tool.

Second Step (31 Jul. 2012)



Each tool has a fixed position.
But it is not clear whether they
are in use or lost.

Third Step (09 Nov. 2012)



Tags are applied.
They are turned,
whenever in use.

Fourth Step (23 Nov. 2012)



It is easy to turn the tag.

[5S Model Area: QC Conference Room]



Before (Jul. 2012)



After (Nov. 2012)

6) C & P Shoe Industries Ltd.

The target improvement themes were set as i) Machine Stoppages and ii) 5S.

i) Machine Stoppages

Four model machines were selected at Plastic Dept. The JICA-PCK Team proposed that the company should collect data on machine stoppage time, down time by breakdown, countermeasures taken, root causes, etc. However, the proposal was not implemented during the period.

ii) 5S

Along with the consultation, PCK consultants provided 5S training in August-October 2012, when the JICA expert was absent from Kenya. As a result, the 5S Committee, consisting of 15 members from managers, supervisors and leaders, was formed in the company. In addition, the JICA expert conducted training for 5S Committee members and maintenance members in November 2012. As a result, 5S has been implemented in the model areas and the level of 5S has been improved **by 30%** (from 10% to 40%).



Training for 5S Committee Members and Maintenance Members by the JICA Expert (Nov. 2012)



Implementation of 5S (Floor lines and labels are introduced.)



Before (Aug. 2012)



After (Feb. 2013)

[Second Year]

1) Green Forest Foods Ltd.

The target improvement themes were set as i) KAIZEN of the Honey Bottling Process, ii) KAIZEN of the Peanut Packing Process, and iii) 5S.

i) KAIZEN of the Honey Bottling Process

The process was typical batch production before improvement. In the case of 500-gram SQZ bottles, the output was 360 pcs/hour by 11 operators and the space used was 21.25 square meters (m²). Therefore,

$$\text{Productivity} = (180 \text{ pcs/hour}) / (11 \text{ persons}) = \underline{16.36 \text{ pcs/hour/person.}}$$

$$\text{Total Productivity} = \text{productivity/space} = (16.36 / 21.25) = \underline{0.770 \text{ pcs/hour/person/m}^2}$$



The honey bottling and capping process and the packing process were separated.

After improvement, the process was changed from the batch production process to one-piece flow production.



Output was increased up to 180 pcs/hour by 4 operators in a space of 12.25 m². Therefore,

$$\text{Productivity} = (180 \text{ pcs/hour}) / 4 \text{ persons} = \underline{45 \text{ pcs/hour/person.}}$$

$$\text{Total Productivity} = \text{productivity/space} = \underline{3.673}$$

$$\text{pcs/hour/person/m}^2$$

$$\text{Improvement Ratio of Productivity} = [(\text{after} - \text{before}) / \text{before}] \times$$

$$100 \% = [(45 - 16.36) / 16.36] \times 100 \% = \underline{175.1 \% \text{ increased.}}$$

$$\text{Improvement Ratio of Total Productivity} = [(\text{after} - \text{before}) / \text{before}] \times 100 \% = [(3.673 - 0.770) / 0.770] \times 100\% = \underline{\mathbf{377.0 \% \text{ increased (A).}}}$$

ii) KAIZEN of the Peanut Packing Process

The process was also typical batch production before improvement. In the case of 250-gram packs, the output was 240 pcs/hour by 10 operators and the space used was 17.6 square meters (m²). Therefore,

$$\text{Productivity} = (240 \text{ pcs/hour}) / (10 \text{ persons}) = \underline{24 \text{ pcs/hour/person.}}$$

$$\text{Total Productivity} = \text{productivity/space} = (24 / 17.6) = \underline{1.36 \text{ pcs/hour/person/m}^2}.$$

Coding Process



Filling Process



Sealing Process



After improvement, the process was changed from the batch production process to one-piece flow production.

Output is 240 pcs/hour by four operators in a space of 12.2 m². Therefore,

Productivity = (240 pcs/hour)/4 persons = 60 pcs/hour/person.

Total Productivity = productivity/space = (60 / 12.2) = 4.918 pcs/hour/person/m².



Filling Process after Improvement



Guidance by the PCK CP

Improvement Ratio of Productivity = [(after – before) / before] x 100 %

= [(60 - 24) / 24] x 100 % = 150 % increased.

Improvement Ratio of Total Productivity = [(after – before) / before] x 100 % = [(4.918 – 1.36) / 1.36] x 100% = 261.6 % increased (B).

iii) 5S

Initially, the 5S concept was not known in this company and nothing related to 5S was implemented. The percentage of the 5S level was 10% in June 2013.

After 5S training was given, 5S activities have been implemented. The percentage of the 5S level has reached 35%. Therefore, the 5S state was 25% improved (C).

Before (Items are unlabelled.)



After (Items are labelled.)



Before (Items are unlabelled.)



After (Items are labelled.)



Before (Walls and floor are not painted.)



After (Walls and floor are painted.)



In summary, considering the three themes, the total improvement ratio was 663.6% in Green Forest (A+B+C). In addition, also as results of productivity improvement activities, the company became capable of operating two production lines parallel by utilising the saved space and workers. Because of the productivity increase, the company was able to give the workers a day off every Saturday.

2) DAWA Ltd.

The target improvement themes were set as i) KAIZEN of Machinery Stoppage (Blister Packing Machine BP102), ii) KAIZEN of the Assembly Process, and iii) 5S.

i) KAIZEN of Machinery Stoppage

A blister packing machine (BP102) was selected as the machine targeted for improvement. BP102 should be started at 08:30 after 30-minute cleaning every morning. However, it had not been started by around 09:00,



BP 102

when it was observed during the morning period. Neither the manager nor the supervisor was there. Data on machinery stoppage was requested in order to grasp the current state. However, the data submitted was not accurate. So, the following points for production were suggested for implementation of KAIZEN activities.

1. Data on machinery operation which includes stoppage of machinery should be gathered.
2. Supervisors and managers should attend at starting time to support operators.

ii) KAIZEN of the Assembly Process

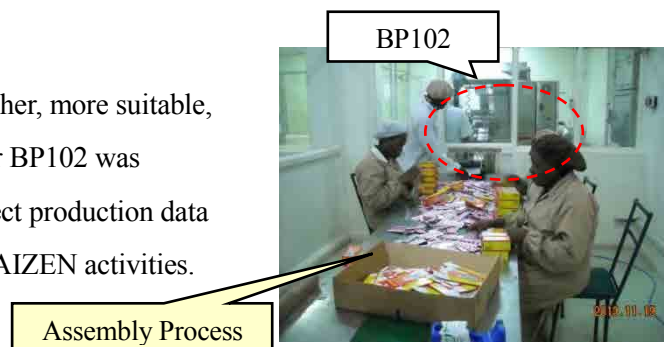
Improvement of the assembly process after BP102 was selected as the objective.

Data on the assembly process after BP102 was not gathered and layout of the assembly process after BP102 was not connected to BP102. In addition, the assembly process after BP102 was occupied by a sealing machine.



After improvement

The sealing machine was moved to another, more suitable, position. And the assembly process after BP102 was connected to BP102. Collection of correct production data was suggested for implementation of KAIZEN activities.



iii) 5S

Initially, the level of 5S implementation was 10% in June 2013. After 5S training was given, 5S activities have been implemented. The 5S level has improved by up to 45%. Therefore, the 5S state was 35% improved.

Corridor

Before



After (Cleared and marked)



Fire Equipment

Before



After (Marked)



Fire Equipment

Before



After (Marked)



Documents

Before



After (Set in order)



Guidance by the PCK CP

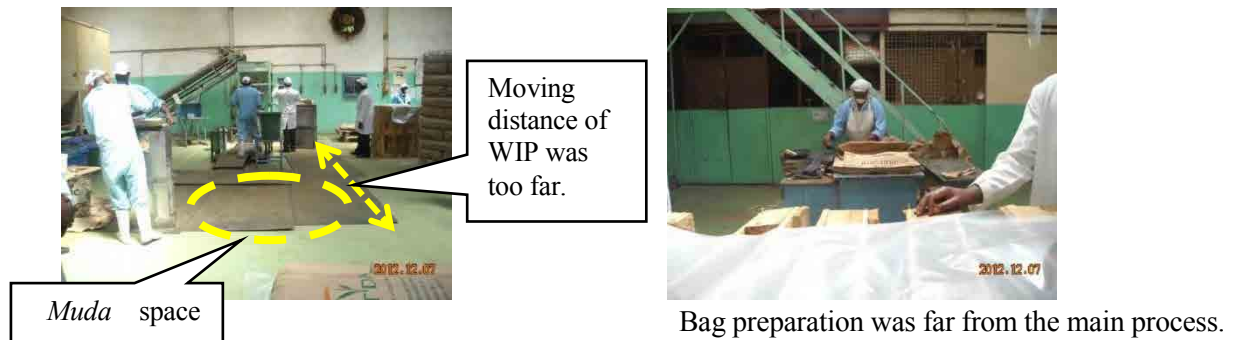


3) Rukuriri Tea Factory, KTDA

The target improvement themes were set as i) KAIZEN of the Packing Process, ii) KAIZEN of Shipping, iii) Stoppage of Machinery, iv) KAIZEN of the Binning Process, v) KAIZEN of Spilling Tea, and vi) 5S.

i) KAIZEN of the Packing Process

Before improvement, there was some *muda* (waste), such as transportation and motion waste.

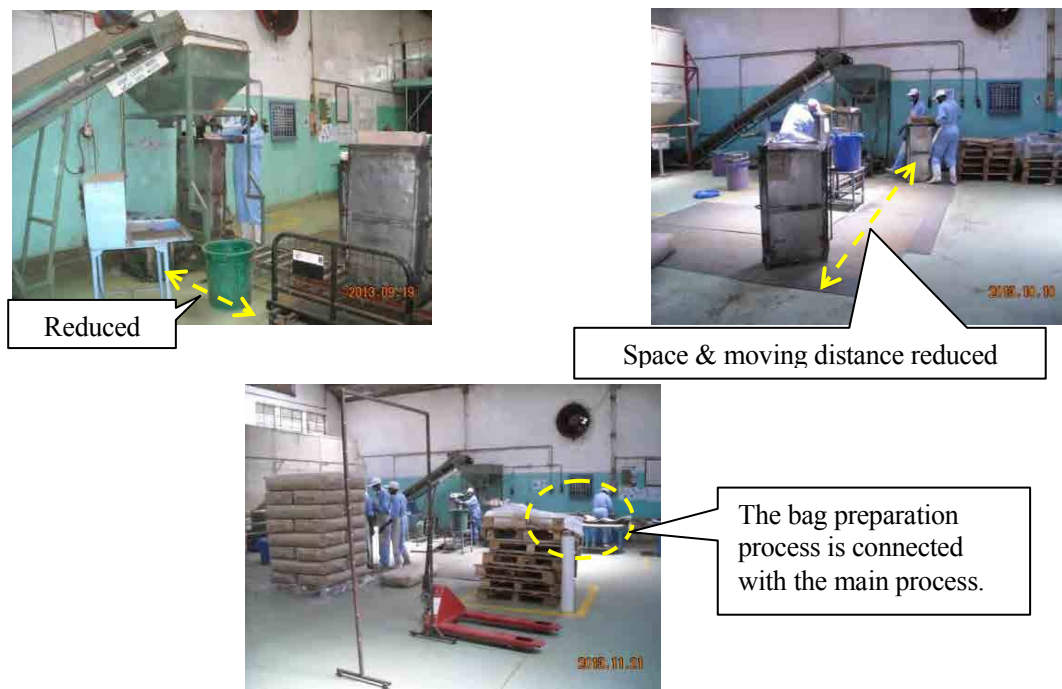


The output was 11349 kg/2.83 hours by six operators and the space used was 68 m². Therefore,

Productivity (=output/persons) = 667.6 kg/hour/person;

Total Productivity (= productivity/space) = 9.817 kg/hour/person/m².

After improvement, *muda* of WIP transportation and *muda* of motion were removed.



The output was 11360 kg/2.283 hours by six operators and the space used was 45.8 m². Therefore,

Productivity = 829.2 kg/hour/person;

Total Productivity (= productivity/space) = 18.105 kg/hour/person/m²;

Improvement Ratio of Productivity = [(after – before) / before] x 100 %

= [(829.2 – 667.6) / 667.6] x 100 % = 24.2 % increased.

Improvement Ratio of Total Productivity = [(after – before) / before] x 100 %

= [(18.105 – 9.817) / 9.817] x 100% = 84.4 % increased (A).

ii) KAIZEN of Shipping

Before improvement, the output was 27806.75 kg/time as the average for 1.6375 hours by four persons.

Therefore,

Productivity = 4245.3 kg/hour/person.



Trucks spent time getting into the proper position.



Products were not prepared in order.

After improvement, a guideline was painted on the ground and products to be shipped are now prepared in order.



The output was 26065.8 kg/time as the average for 1.04 hours by four persons. Therefore,

Productivity = 6265.8 kg/hour/person;

Improvement Ratio of Productivity = (after – before)/before x 100%

= [(6265.8 – 4245.3)/4245.3] x 100% = 47.6 % up (B).

iii) Stoppage of Machinery

MTBF⁴⁰ was 670 hours in Y2012. MTBF was 811.3 hours in Y2013 because of the implementation of 5S activities on the machinery, as well as conducting machine inspection before the operation.

⁴⁰ MTBF (= mean time between failures) shows the time of non-stop operation.

Improvement Ratio = $(811.3 - 670)/670 \times 100\% = \mathbf{21.1\% \text{ improved (C)}}$.

iv) KAIZEN of the Binning Process

Before improvement, the output was 91531.09 kg for 9.083 hours (545 minutes) by five operators.

Therefore,

Productivity = 2015.4 kg/hour/person.

In addition, the binning operation was not safe and this was why a new binning machine was introduced.



After improvement, the output is 2503.2 kg for 0.35 hours (21 minutes) by one operator. Therefore,

Productivity = 7152 kg/hour/person;

Improvement Ratio of Productivity

= $(\text{after} - \text{before})/\text{before} \times 100\% = [(7152 - 2015.4)/2015.4] \times 100\% = \mathbf{254.9\% \text{ up (D)}}$.

v) Prevention of Spilling Tea

There were many points at which tea was spilt from the machinery process. Therefore, 12 operators (6 operators/shift x 2 shifts) were cleaning the spilt tea. The JICA-PCK Team suggested many points for improving production and maintenance. However, these would take more than one year to implement. The company replied that the maintenance members were going to make improvements one by one.

vi) 5S

Initially, the 5S level was 10% in June 2013. After 5S training was given, 5S activities have been greatly implemented. Improvement in the 5S level to 45% by 35% has been achieved (E).

In summary, considering the six themes, the total improvement ratio was **443%** at Rukuriri Tea Factory (A+B+C+D+E).

Before (Rusty and no colour control)



After (Repainted and colour-controlled)



Before: Material Stock
(Unlabelled and not visualised)



After: Material Stock
(Labelled and well visualised)



4) Auto Springs Manufacturers Ltd.

The target improvement themes were set as i) KAIZEN of Wiring Harness Assembly, ii) Bolt and Nut Assembly, iii) Leaf Spring Assembly, and iv) 5S.

i) KAIZEN of Wiring Harness Assembly

The output was 14.55 pcs/day by 59 persons and the space used was 770.22 m² before KAIZEN.

Therefore,

Productivity = 0.2466 pcs/day/person;

Total Productivity (=productivity/space) = 0.00032 pcs/day/person/m².



About 120 unnecessary jig boards and four shelving racks were dismantled and removed.

Many unnecessary jig boards for assembly were kept on eight shelving racks.

After improvement, the output was 18.18 pcs/day by 59 operators. The production space was 679.83 m². Therefore,

Productivity = 0.3081 pcs/day/person;



Total Productivity (= productivity/space) = 0.0004532 pcs/day/person/m².

The testing process, which was in a different area, and the taping process are moved into the empty space.

About 80 usable jig boards were kept in the four remaining shelving racks. Therefore,

Improvement Ratio of Total Productivity = [(after – before)/before] x 100%
= [(0.3081 – 0.2466)/0.2466] x 100% = 24.9% increased;

Improvement Ratio of Total Productivity = [(after – before)/before] x 100%
= [(0.0004532 – 0.00032)/0.00032] x 100% = **41.6% improved (A)**.

ii) KAIZEN of Bolt and Nut Assembly

It was requested that current data be submitted in order to understand the state before KAIZEN.

Regrettably, the data was not submitted.

iii) KAIZEN of Leaf Spring Nut Assembly

The output was 550 pcs/day before 5S implementation. After 5S implementation, output has become 660 pcs/day. Therefore,

Productivity = **20% increased (B)**.

Before 5S Kaizen



After 5S Kaizen



Before 5S, WIP was kept on the floor. After 5S, a proper shelf was introduced to support the handling of WIP.

iv) 5S

After 5S activities, a lot of scrap was found and sold.

The amount of sold scrap was 1.4 million KSH worth. → It was a great benefit of 5S activities.

The level of 5S has been improved from 10% to 40% by **30% (C)**.



In summary, considering the four themes, the total improvement ratio was 91.6% in Auto Springs Manufacturers (A+B+C).

5) Windsor Golf Hotel & Country Club

The target improvement themes were set as i) KAIZEN of Housekeeping, ii) KAIZEN of Maintenance, iii) KAIZEN of the Restaurant and Kitchen, and iv) 5S.

i) KAIZEN of Housekeeping

There were 30 cottages, 20 studios, and 80 standard rooms. 15 housekeepers were covering all of these rooms. In the calculation, the number of housekeepers, 15, was reasonable. It was difficult to investigate and analyse the housekeepers' operation.

ii) KAIZEN of Maintenance

Data on maintenance of guest rooms was requested in order to grasp the current state. However, the maintenance section did not gather data on guest rooms.

Data on customers' complaints was collected. However, some important items, such as repair time, real cause of problems, and countermeasures, were not shown in the data.

The method of collecting data on maintenance and customers' complaints was suggested and they were trained in this method.

iii) KAIZEN of the Restaurant and Kitchen

Time data on restaurant services to guests was requested, in order to grasp the current state. The restaurant and kitchen section started to record the time between an order taken and delivery time. The worst times are shown in the following chart (Table 3-1-10).

Table 3-1-10: Comparison of Worst Times (Posted Time & Delivery Time)

	Posted time (minutes) After Order Taken	Delivery time (minutes) After Order Taken
Sept / 2013.	7	41
Oct / 2013.	6	37
Nov / 2013.	4	25
Dec /2013.	4	25
Improvement Ratio	42.90%	39%
(between Sept to Dec)	reduced	reduced

Note: Posted time is the time notified to the kitchen after an order is taken.
Source: JICA Project Team

Delivery time after an order is taken was 41 minutes in September 2013 as the worst case. Due to the implementation of 5S and improvement of staff awareness, it was 25 minutes in December 2013 as the worst case. Therefore, the improvement ratio is a 39% reduction (A).

v) 5S

Initially, the 5S level was 10% in June 2013. After 5S training was given, 5S activities have been greatly implemented. The 5S level reached 40%, which was a 30% improvement (B).

Before

[Maintenance]

After (Sorted and cleaned)



Before

[Accounting]

After (Set in order)



In summary, considering the four themes, the total improvement ratio was 69% in Windsor Hotel (A+B).

6) Associated Vehicle Assembler Ltd. (AVA)

The target improvement themes were set as i) 5S and Visual Control, ii) Productivity KAIZEN of Line 1 (Fuso), and iii) Productivity KAIZEN of Line 2 (CANTER).

i) 5S and Visual Control

Initially, the 5S level was 10% in June 2013. The first 5S training was given to management members on 20th June, 2013. The second 5S training was given to 13 supervisors on 1st August, 2013.

Before



After (No unnecessary items on the floor)



Before (Tools & materials on the floor)



After (No unnecessary items on the floor)



Before (No marking)



After (Space for fire equipment is marked.)



Before (No signage)



After (Signage)



Before (Equipment was put on the floor.)



After (Equipment is put on an exclusive stand.)



The 5S level was improved to 45% by a 35% improvement (A). AVA supervisors said that '5S is a Renaissance'.

ii) Productivity KAIZEN of Line 1 (Fuso FN627)

The productivity was improved by implementing 5S, including changing the system of controlling the tools, materials & parts. In addition, through 5S activity, the mindset of workers has improved.

Before: 4 sets/day by 37 persons → Productivity = 0.108108 sets/day/person

After: 6 sets/day by 47 persons → Productivity = 0.12766 sets/day/person

Improvement Ratio = $[(0.12766 - 0.108108)/0.108108] \times 100\% = \mathbf{18.1\% \text{ up (B).}}$

iii) Productivity KAIZEN of Line 2 (CANTER)

The same as the previous Line 1, through implementation of 5S, the productivity of Line 2 was improved as follows.

Before: 8 sets/day by 37 persons → Productivity = 0.216216 sets/day/person

After: 12 sets/day by 47 persons → Productivity = 0.255319 sets/day/person

Improvement Ratio = $[(0.255319 - 0.216216)/0.216216] \times 100\% = \mathbf{18.1\% \text{ up (C)}}$

In summary, considering the three themes, the total improvement ratio was **71.2%** in AVA (A+B+C).

(4) Visit of the Cabinet Secretary and Principal Secretary of MoLSSS to Two Pilot Companies

On 24th January 2014, Mr. Kazungu Kambi, Cabinet Secretary of MoLSSS, visited two pilot companies, Dawa Ltd., and Winsor Hotel, accompanied by Mr. Ali Noor Ismail, Principle Secretary of MoLSSS. They observed the results of the productivity improvement activities at the worksites. They confirmed the importance of productivity improvement activities, as the managers of both pilot companies were very proud of the results of theirs 5S and KAIZEN activities. At the end of the visit, they commented on the necessity of spreading productivity concepts and tools to as many organisations as possible both in the private and public sectors.



Explanation of KAIZEN at the restaurant
(Winsor Hotel)



Explanation of 5S at the Quality Assurance Dept.
(Dawa Ltd.)

1.8 Development of Consulting Manuals and Case Sheets

Consulting manuals were made. In addition, 148 case sheets on 12 pilot companies, which include the objective of the improvement, measures taken, results of improvement, and photos before and after, were completed. It is expected that PCK consultants will utilise the manuals and case sheets when they implement consultation.

Case Sheet			
Theme	5S & Visual Control (Key Control)	Number	RTF 001
KAIZEN point	To visualize of Keys of Cars make items-visible and easy to retrieve		
Before	Car keys were stored without labels and proper location		
		<p>It was difficult to understand which cars are under using or not.</p>	
After	Car keys now stored with labels in fixed location.		
		<p>When a driver use a Car key, the driver must hang the name tag on fixed location of the Car key.</p>	
Effect	It is now visually clear where each car key is and who is using a car key		
Company Name	Rukuriri Tea Factory	Prepared by	William N. Hoglire

No.	
<p>THE PROJECT ON PRODUCTIVITY IMPROVEMENT IN THE REPUBLIC OF KENYA</p>	
<p>CONSULTING MANUAL</p>	
<p>JANUARY 2014</p>	
<p>Katsutoshi IKEDA JICA Expert</p>	

1.9 Implementation of 5S at the PCK Office

With the assistance of the JICA expert, PCK implemented 5S at its office. Items at the office, such as document files, desks, stationary, and dust bins, were sorted, and the places where they should be put were defined. PCK has already invited other governmental officers and provided guidance on the effectiveness of 5S using its own office as a showcase.



5S Activities by PCK Staff



PCK Office at a Glance after 5S Implementation



Document Control at PCK



Visit of MoDP Officers to the PCK Office
(27th Nov., 2013)

2. Pilot Training of Trainers (ToT) for Technical Service Providers (TSPs)

2.1 Selection of TSPs Participating in ToT

Mainly in the first and second study in Kenya, the JICA Team visited most of the TSPs mentioned in ‘Part II. 1.6. Main TSPs related to Productivity Improvement’. They showed interest in sending the trainers to the ToT in this Project. The JICA Team and PCK finalised the TSPs to be invited to the ToT in this Project as follows:

- Kenya Institute of Business Training (KIBT)
- Professional Trainers Association of Kenya (PTAK)
- Kenya Institute of Management (KIM)
- National Industrial Training Authority (NITA)
- Kenya National Cleaner Production Centre (KNCPC)
- Federation of Kenya Employers (FKE)
- Academic institutions, such as the Technical University of Kenya, Kenyatta University (KU) and the University of Nairobi (directly or in collaboration with LIWA)
- Kenya School of Government (KSG)

The following agency and ministries were also chosen, since the trainers within these organisations were able to be trained through ToT.

- Micro and Small Enterprise Authority (MSEA)
- Ministry of Labour, Social Security and Services (MoLSSS)
- Ministry of Industrialisation and Enterprise Development (MoIED)

2.2 Implementation of ToT

(1) Development of ToT programmes

Two themes of ToT were set, namely ‘KAIZEN based on the Toyota Production System (TPS)’ and ‘5S Internal Assessment’. The reasons are as follows:

KAIZEN based on the Toyota Production System (TPS)

As described in ‘Part I. 4. Implementation Policy–4.3 Consultation Methodology’, KAIZEN based on TPS is the methodology used in the consultation for pilot companies in this Project.⁴¹ The methodology of TPS has been applied to pilot companies in other productivity improvement projects, and has enabled the creation of successful results in improving quality and productivity.

⁴¹ ‘KAIZEN based on TPS’ is explained in ‘Part III 1.6 Training for PCK’s Consultants’.

5S Internal Assessment

5S is a productivity improvement method to keep the workshop clean and tidy. It has been accepted as an entry point of all productivity improvement activities in many countries. It is believed that the widespread adoption of 5S will raise the level of both productivity and quality in Kenya, as well as speeding up the implementation of quality and productivity improvement activities. In Malaysia, '5S Certification' was introduced and has been very effective in encouraging companies to implement productivity improvement activities. To develop the trainers who can enhance the capability of company/institution staff in assessing 5S is very important for improving the level of 5S and sustaining 5S activity within the company/institutions.

(2) Qualification and Selection Process

Based on the selection of TSPs participating in ToT, the qualifications of candidates were set and clarified in the notification of ToT. These were sent to the selected TSPs. The main qualifications stated were as follows:

- (a) Age: Less than 50 years old
- (b) Education career: Preferably university degree or higher qualification
- (c) Present position: Consultant or trainer (including professor of a university) who assists the company/institution in business development or productivity improvement
- (d) Experience: At least five years of experience as consultant/trainer or five years of experience in business development or productivity improvement
- (e) Health: Physically and mentally fit to attend an intensive programme
- (f) Certification: Full attendance needed for the Certificate of Participation

Applicants were required to send their curriculum vitae form through the selected TSPs. Their curriculum vitae were examined by the JICA Team and PCK, based on the required qualifications. If they were disqualified, PCK requested that the TSP re-select a candidate.

(3) Implementation

(i) ToT on KAIZEN based on the Toyota Production System

The first batch of 'ToT on KAIZEN based on the Toyota Production System' was held from 8th to 19th July, 2013, while second batch was held from 4th to 15th November, 2013, for 10 days, both in the Hall of Weights and Measures Complex, coordinated by KIBT.

a) Programme

The objectives, scope, methodology, and contents of the programme are as listed below.

[Objective]

To obtain practical capabilities as trainers for implementing KAIZEN and waste elimination at the worksite, based on Toyota Production System (TPS) methods

[Scope]

- Understanding the concept and effectiveness of KAIZEN through the Toyota Production System
- Acquiring KAIZEN techniques/know-how based on *genba* (on-site), *genjitsu* (reality at the workshop), and *genbutsu* (real product)
- Acquiring KAIZEN techniques through *muda-dori* (elimination of waste)
- Consultant approaches based on TPS

[Methodology]

Lectures, group discussions, drills, exercises, and observational factory visits

[Schedule]

Date	AM (9:00 to 12:30)	PM (13:30 to 16:00)
1st Day (8 Jul., 2013) (4 Nov., 2013)	Opening Meeting Outline of KAIZEN based on TPS	Sample Case Study about KAIZEN Drill
2nd Day (9 Jul., 2013) (5 Nov., 2013)	5S Theory and Activities	5S Practice (Workshop) 5S Exercise: Stationery
3rd Day (10 Jul., 2013) (6 Nov., 2013)	Visual Control	Factory Visit in Vegpro Ltd. (Pilot company for the 1 st year)
4th Day (11 Jul., 2013) (7 Nov., 2013)	Just-in-Time Production	Just-in-Time Production (with Exercise) Drill
5th Day (12 Jul., 2013) (8 Nov., 2013)	Jidoka	Quality Assurance in TPS Drill
6th Day (15 Jul., 2013) (11 Nov., 2013)	Review of the First week Kanban System	Kanban System (Continued) Drill
7th Day (16 Jul., 2013) (12/Nov/2013)	Dandori Drill	Maintenance
8th Day (17 Jul., 2013) (13 Nov., 2013)	Maintenance (Continued) Drill	(17 Jul., 2013) Factory Visit in Supacosm Ltd. and Specialised Towels Ltd. (Pilot company for the 1 st year) (13 Nov., 2013) Factory Visit in Autosprings Ltd (Pilot company for the 2 nd year)
9th Day (18 Jul., 2013) (14 Nov., 2013)	Stock Control Drill	Layout Drill
10th Day (19 Jul., 2013) (15 Nov., 2013)	TPS Application in the Service Sector Drill	Summary Closing the Meeting Issuing the Certificates

b) Participants

Through the selection process mentioned above, the following 37 persons in total were selected.

(First batch, from 8th to 19th July, 2013)

NO	NOMINEE	ORGANIZATION	POSITION
1	Mr. Wachinga S. Gikonyo	Kenya Institute of Business Training	Deputy Director
2	Mr. Ben Getange		Lecturer
3	Ms. Carolyne Choge		Lecturer
4	Mr. Kiawa Solomon Muthemba		Lecturer
5	Mr. Herbert Shitsukane Lijoodi	Centurion Systems Ltd (LIWA)	Senior Training Associate
6	Mr. Fabian Shyakaba Mukanzi		Partnerships and Business Development Manager
7	Mr. Stephen Wanjohi Wahome	Professional Trainers Association of Kenya	Director
8	Ms. Sheila Adongo Ogola		Director
9	Mr. Pius Mworio Waruiru		Managing Consultant
10	Mr. Opok Michael		Board Member
11	Mr. Dainah Wanja Kariuki		Operations and Research Director
12	Ms. Juma Gentrix Pamela	Federation of Kenya Employers	Research Assistant
13	Mr. Daniel Omondi Oyamo		Industrial Relations Officer
14	Mr. Musyoki Joseph Kivuva	National Industrial Training Authority	Lecturer
15	Mr. Josphat Lhusinah Ominde		Senior Industrial Training Officer
16	Ms. Angela Mbaya	Ministry of Labour, Social Security and Services	Economist
17	Mr. Charles Ombuki		Senior Economist
18	Ms. Grace Mwari		Economist

(Second batch, from 4th to 15th November, 2013)

NO	NOMINEE	ORGANIZATION	POSITION
1	Ms. Maryanna Wanyonyi	Kenya Institute of Business Training	Senior Librarian
2	Mr. Musa Okwemba Amayamu		Lecturer
3	Mr. Job Mark Omondi Ogolah		Lecturer
4	Ms. Grace Sikukuu Fikirini		Suprintending Graphic Designer
5	Mr. Stephen Chomba Gachoki	Centurion Systems Ltd (LIWA)	Trainer
6	Mr. Simon Kamuri	Professional Trainers Association of Kenya	Managing Director, Venturespring Consultants Ltd
7	Mr. Peter Kagoni		Finance and Admin Manager, Peak Performance Int Ltd
8	Mr. Michael Gwaro Oigo	Technical University of Kenya	Teaching Assistant
9	Mr. Ochuka Joshua Onyango	Kenya School of Government	Human Resources & Administration Manager
10	Mr. Nickson Langat	Kenyatta University	Assistant Lecturer
11	Mr. Issac Kiunga		Teaching Assistant
12	Mr. Tom Onguru	Kenya Institute of Management	Head of OPI Marketing
13	Mr. Alex Mutuku Musau		Head of Consultancy and Human Capital Advisory Services
14	Mr. Muriithi Muriuki	Micro and Small Enterprises Authority	Senior Enterprise Development Officer
15	Mr. Fredrick Mbugua Waweru		Enterprise Development Officer I
16	Mr. Joseph Mutuku Mbeva	Ministry of Industrialization and Enterprise Development	Assistant Director of Industries
17	Mr. Ngari Lawrence Munene		Assistant Director of Industries
18	Mr. Peter Oribi Maranga	National Industrial Training Authority	Head of Department Automotive Engineering
19	Mr. John Irungu Chege		Senior Industrial Training Officer

c) Efforts for effective technical transfer

As for 'ToT on KAIZEN based on TPS', many drills, both individual work and group work, were implemented for the participants to understand better and more deeply. The drills were implemented almost every day, which enabled the participants to make a self-assessment of their understanding as well as helping the lecturer conduct effective follow-up during the training. Secondly, individual work was done in the class of 5S implementation, making a 5S set of stationery to understand how to implement 5S. Thirdly, group work was done during the lecture on the KANBAN system to learn its system by experience, not only theoretically.



Individual Exercise on 5S



Visit to Pilot Company (Vegpro)—In front of the 5S Board

Visits to pilot companies were organised to understand the actual scenes of 5S and KAIZEN at the workshop applied to Kenyan companies. The participants had the chance to observe the practice of KAIZEN in Kenyan companies and learn how the companies overcame difficulties in implementing 5S and KAIZEN.

d) Results

As for the results of 'ToT on KAIZEN based on TPS'⁴², it was very successful in quantitative terms according to the results of the evaluations. In total, 26 out of 35 were evaluated as 'Excellent', while the other 9 participants were considered 'Good'. In quality terms of this ToT, it was evaluated as being 'practical for my needs' (very positive= 22, positive= 13). When it comes to the instructor's items, participants seemed to be quite satisfied with his knowledge, the contents of the materials, and his responses to the questions raised.

As for the method that participants could utilise most, '5S', 'maintenance', 'just-in-time', and 'visualisation' were the majority answers. In particular, for 26 out of 35 participants indicating '5S', 5S could be more applicable and effective than other productivity improvement tools, considering the current condition in Kenya. Promotion of 5S by PCK would help TSPs to spread the concepts of

⁴² The result of questionnaire on ToTs is shown in Appendix 11.

KAIZEN and contribute to productivity improvement at the company level.

Finally, as for the payability of this ToT, the majority of the participants expressed their intention to pay over 10,000 Ksh, which the participants actually paid to cover the cost of lunch and tea break. This result showed that PCK would be able to sustain this ToT after the termination of the Project by requesting a fee, as long as the programme is well-organised and is of sufficient quality.

ii) ToT on 5S Internal Assessment

The first batch of 'ToT on 5S Internal Assessment' was held from 14th to 18th October, 2013, while the second batch was held from 5th to 11th December, 2013, for five days, both in the Hall of Weights and Measures Complex, coordinated by KIBT.

a) Programme

The objective, scope, methodology, and contents of the programme are as listed below.

[Objective]

To obtain practical capabilities as trainers for implementing 5S internal assessment and making proposals to improve the level of 5S activity

[Scope]

- Learning how to perform 5S internal assessment on a value added assessment engagement
- Engaging in the 5S assessment approach (planning, implementation, analysis, and reporting)
- Becoming familiar with the scope and application of the 5S implementation framework
- Learning how to communicate and 'sell' 5S internal assessment results

[Methodology]

Lectures, group discussions, exercises at the factory, and individual/group report-making

[Schedule]

Date	Contents
1st Day (14 Oct., 2013) (5 Dec., 2013)	1.Introduction - Understanding 5S concepts - Roles of 5S internal auditors - Understanding 5S implementation framework: PDCA - 5S certification process <i>★Team Exercise 1: Understanding the requirements of 5S</i> 2.Introduction to 5S Process Auditing ● Understanding the purpose and benefit of auditing ● 5S system document structure
2nd Day (15 Oct., 2013) (6 Dec., 2013)	3.Introduction to 5S Process Auditing (Continued) ● 5S assessment preparation <i>★Team Exercise 2: Understanding the requirements of the 5S assessment process</i> <i>★Team Exercise 3: Test run assessment checklist</i>
3rd Day (16 Oct., 2013) (9 Dec., 2013)	<i>★Team Exercise 4: Rationalising 5S assessment findings</i> 4. On-Site 5S Assessment Planning
4th Day (17 Oct., 2013) (10 Dec., 2013)	5. On-Site 5S Assessment Exercise (Company Visit)
5th Day (18 Oct., 2013) (11 Dec., 2013)	6.Reporting Findings <i>★Team Exercise 5: Audit report presentation by the team</i> Closing ceremony

b) Participants

Through the selection process mentioned previously, the following 33 participants in total were selected.

(First batch, from 14th to 18th October, 2013)

NO	NOMINEE	ORGANIZATION	POSITION
1	Mr. Wachinga S. Gikonyo	Kenya Institute of Business Training	Deputy Director
2	Mr. Ben Getange		Lecturer
3	Ms. Carolynne Choge		Lecturer
4	Mr. Kiawa Solomon Muthemba		Lecturer
5	Dr. Waweru Muthumbi	University of Nairobi (Introduction of LIWA)	Dept of Environmental and Biosystems Engineering
6	Dr. Zacharia Kuria		Senior Lecturer, Dept of Geology
7	Dr. Stephen Wanjohi Wahome	Professional Trainers Association of Kenya	Director
8	Mr. Micheal Gwaro Oigo	Technical University of Kenya	Teaching Assistant
9	Ms. Atieno Evelyn Lesley	Federation of Kenya Employers	Consultant
10	Ms. Juma Gentry Pamela		Research Assistant
11	Ms. Helen M. Kitavi Magolo	Kenya School of Government	Senior Lecturer
12	Mr. Ochuka Joshua Onyango		Human Resources & Administration Manager
13	Mr. Victor Gathogo	Kenya National Cleaner Production Centre	Environment and Cleaner Production Expert
14	Mr. Dan Ojwang	Kenyatta University	Assistant Lecturer
15	Mr. Niva Akhusama		Assistant Lecturer
16	Ms. Purity Karimi Njeru		Assistant Lecturer
17	Mr. Tom Onguru	Kenya Institute of Management	Relationship Manager
18	Mr. Samuel Gicharu Maina		Research and Technical Officer

(Second batch, 5th- 6th and 9th – 11th December, 2013)

NO	NOMINEE	ORGANIZATION	POSITION
1	Ms. Maryanna Wanyonyi	Kenya Institute of Business Training	Senior Librarian
2	Mr. Musa Okwemba Amayamu		Lecturer
3	Ms. Grace Sikukuu Fikirini		Suprintending Graphic Designer
4	Mr. Anthony Odhiambo Odawa		Chief Trainer, Smart Enginerring Ltd.
5	Ms. Florence Njeri Kamanu	Professional Trainers Association of Kenya	Director, Big City Ltd.
6	Mr. Felix Limanye	Ministry of Labour, Social Security and Services	Procurement Officer
7	Mr. Elias Ako	Kenyatta University	Lecturer
8	Mr. George Magore		Lecturer
9	Mr. Dancan Kibui		Assistant Lecturer
10	Ms. Caroline Milanoi Meitamei	Kenya Institute of Management	Business Reserch Officer
11	Mr. Kandie Christopher Chepsergon		OPI Assessor
12	Mr. Joseph Mutuku Mbeva	Ministry of Industrialization and Enterprise Development	Assistant Director of Industries
13	Mr. Ngari Lawrence Munene		Assistant Director of Industries
14	Mr. Mathew Nyamu		Principal Industrial Development Officer
15	Mr. Felix Muimi		Senior Industrial Development Officer

c) Efforts for effective technical transfer

In this ToT, the participants experienced the entire cycle of 5S auditing through the exercise at the company. The exercise was implemented through the following procedure.

- Participants were divided into groups, and the groups developed their own audit sheets.
- Participants implemented a mock audit at different worksites.
- Participants summarised the results of the audit, including the necessary improvement of 5S activity.
- Participants made a presentation to the top managers of the company on the results of the audit.

Through the exercise, the participants obtained practical capability to conduct a 5S audit after the ToT. Moreover, the knowledge of the participants on 5S internal assessment was assessed before and after the programme. A set of questions was prepared with a total of 23 questions and a mock pictorial of before and after the training. This assessment method certainly secured the result of knowledge transfer.

Besides, the 5S audit sheet which the participants developed during the training programme can be utilised for implementing 5S internal assessment in their own organisations and with their own clients.



Discussion at the Packaging Area during the Audit



Presentation of Audit Results to Top Management

d) Results

As for the results of the first 'ToT on 5S Internal Assessment'⁴³, it was very successful in quantitative terms according to the results of the evaluations. In total, 16 participants out of total 33 participants were evaluated as 'Excellent', while other 16 were evaluated as 'Good'. When it comes to the instructor's items, participants were satisfied with his knowledge, the contents of the materials, and his responses to the questions raised.

In addition, the majority of the participants showed their willingness to spread the concepts of 5S internal assessment by offering consultancy service to companies (26 out of 33), implementing 5S in their organisations (22 out of 33), and holding the internal meeting to share what they have learnt (22 out of 33).

2.3 Findings from Implementation of Pilot ToT

(1) Key Points for Successful Implementation

In order to realise effective technical transfers, the basic condition of participation was that participants were required to attend 100% of the training programme for certification. As a result, almost all the participants met this condition with minor exceptions. Certification was given to them with the signature of both the principal secretary of MoLSSS and the chief representative of JICA at the Kenya Office.

Also, so as to enhance the commitment of the participants, the participants were required to pay 1,000 Ksh per day to cover their meals and tea breaks during the ToT. This gives assurance that PCK can charge a certain level of fee for similar training programmes, if the contents of the training are sufficiently useful and practical.

These devices helped to increase the commitment to participate and to realise almost 100% attendance.

⁴³ The result of questionnaire on ToTs is shown in Appendix 11.

(2) Outcomes of the Training from the Results of the Post-Training Questionnaire

A post-training questionnaire⁴⁴ was sent to the participants three to six months after each training programme, to check how they had utilised the results of the training programme.

As for the result of ‘ToT on KAIZEN based on TPS’ (held on July 8th-19th, 2013), it showed that 7 trained participants have held 15 outside seminars or training sessions after they received training. And, utilising the knowledge and skills obtained in the ToT, they have trained 1,479 people. In particular, participants from LIWA integrated this philosophy of KAIZEN into the training programmes in the Kenya Youth Empowerment Project⁴⁵ and they have already trained more than 350 people under the Project. In addition, 10 participants have implemented consulting services in 20 companies and they achieved good results such as ‘productivity has increased’ and ‘the workplace has become neat and clean through 5S’.

When it comes to the result of ‘ToT on 5S Internal Assessment’ (held on October 14th -18th, 2013), it showed that the 2 trained participants have held 6 outside seminars or training sessions and trained 350 people after the ToT. A participant has implemented consulting services in 1 company and various wastes at worksite were eliminated at the company.

In the total of the two ToTs, 9 trained participants have held 21 outside seminars or training programmes, and have trained 1,829 people by utilising the results of the ToT. In addition, 11 participants have implemented consulting services in 21 companies and they have achieved good results such as ‘the productivity has increased’ and ‘the workplace has become neat and clean through 5S’.

As another outcome of the ToT, some of the TSPs, such as KIBT and PTAK, requested that PCK implement additional training for the members or staff of their organisations. And PCK did implement training for them.

2.4 Development of Training Materials and Manuals for ToT

Training materials for two ToT sessions were developed. And manuals which include necessary procedures, notifications, confirmation letters, and evaluation questionnaires were also developed.

2.5 Creation of a TSPs Database

A database of partners, including TSPs, had not yet been developed in PCK. The Team and PCK staff agreed to utilise the format of the database proposed by the Team in April 2012. Since then, PCK has been inputting into the database the information of TSPs who attended the previous training sessions or the workshops. The team confirmed that approximately 418 items of client data was input at the end of the Project.

⁴⁴ The result of the questionnaire is shown in Appendix 12. The questionnaire was implemented for the participants who joined two programmes held before 31st October 2013.

⁴⁵ The Project aims to provide training in manufacturing skills, supported by the World Bank and KEPSA. It plans to train up to 2,000 people.

Among the 418 items of data in the database, the number of ‘consultants/trainers’ is 96. The data includes their main areas of expertise in PI tools, experiences of participating in PCK training programmes, result of capacity evaluation, and contact address (Figure 3-2-1). PCK can utilise the database when PCK would like to search appropriate consultants/trainers and contact them. PCK needs to input their area of expertise and capacity evaluation for further utilisation.

Figure 3-2-1: Sample Scene of the Current TSPs Database

No.	Name of the person	Organisation	Position	Private or Public	Type of Trainee	Area of expertise-1	Area of expertise-2	Attendance of the seminar	E-Mail Address
1	00000000	Professional Trainees Association of Kenya	Director	Private	Consultants/Trainers	Stock Control	QA	JICA ToT on KAIZEN	00000000@yahoo.com
2	△△△△△△△	Kenya School of Government	Senior Lecturer	Public	Consultants/Trainers	SS Audit	SS	JICA ToT on SS Internal Assessment	△△△△△△△@yahoo.com
3	▲▲▲▲▲▲▲	Kenya Institute of Business Training	Lecturer	Public	Consultants/Trainers	SS Audit	Visual Control	JICA ToT on SS Internal Assessment	▲▲▲▲▲▲▲@yahoo.com

2.6 Recommendation based on Pilot ToT

In this Project, a study on the main TSPs related to PI and the pilot ToT sessions were implemented. Based on these activities, the following are recommendations for maintaining the results of the Project.

(1) Necessity of Categorising Target Beneficiaries of the Training Programme

The consultants or trainers who receive training from PCK are important resources for disseminating productivity improvement nationwide. Therefore, as many TSPs as possible are expected to be developed through ToT by PCK. It is also important for PCK to develop a systematic framework and create a strong network with those trained. Firstly, it is suggested that targeted beneficiaries of the training and seminars be properly classified into the four groups shown in Table 3-2-2, since the expected roles in productivity improvement and relevant necessary types of training differ.

While it is essential to create effective networks with the major TSPs, formal arrangements between PCK and TSPs shall be created. In addition, it is proposed that PCK utilise the TSP database, which is developed and improved in this Project.

Table 3-2-2: Target Beneficiaries of Training and Seminars

Category	Role in Productivity Improvement	Type of Training
i) Top executives	Decision-maker in his/her company/agency	1- to 2-day seminar
ii) Middle managers and employees	Implementers of PI	Practical/customised training
iii) Consultants/trainers	Technology transfer	In-depth & high-level training
iv) Facilitators	Policymaker and/or advisers	Seminar/introductory training

Source: JICA Project Team

(2) Development of Various Training Programmes on PI

PCK had already gained the capability to implement a training programme for productivity awareness before the Project.⁴⁶ In this Project, two ToT programmes, which are more focused and regarded as advanced-level, were implemented as model. Based on the contents of PCK's current programmes and two model programmes, it is expected that PCK will develop training programmes that are suitable for the different levels of the PI experts, including consultants/trainers, middle managers, employees. These training programmes can be provided as an 'open training programme' and 'in-house training' (tailor-made programme for a specific company).

⁴⁶ The Asian Productivity Organization and Japan Productivity Center have provided technical assistance, with financial support from the Government of Japan.

3. Study on Productivity Measurement

3.1 Background

The provision of productivity indices is one of the most important mandates of PCK. PCK was established with the support of tripartite entities, namely employers (FKE), trade unions (COTU), and government (MoLSSS). The basic intentions of the three stakeholders were that PCK would provide reliable, neutral, and consistent productivity indices useful for formulating productivity-related policies and determining wages. However, the quality of the productivity indices that PCK had provided before commencement of the Project was not reliable enough to fully satisfy the expectations of the stakeholders.

According to the information from the interview with MoLSSS, FKE, and COTU, Kenya often faces disputes in wage negotiations between employers and workers. While employers are pressured to raise wages in order to meet rapid inflation in the country, they hope that changes in the productivity level will be taken into account in wage negotiations. However, figures given by employers are not trusted by workers, due to the lack of a transparent accounting system in most companies. Therefore, FKE requires accurate and objective productivity indices to be used in wage negotiations.

COTU also understands the importance of productivity improvement at the industry level for improving the living standard of employees. COTU also showed the need for productivity indices so that the gains from productivity improvement are shared equally between the employer and the workers. However, at this moment, COTU has not used any productivity index for wage negotiations, because trade unions do not trust the reliability of any data that the employers' side provides (including a productivity index). If the indicators are made in a transparent and neutral way, COTU is sure to study and utilise them.

3.2 Analysis of 'Productivity Statistics' of PCK

PCK has publicised 'Productivity Statistics' since 2007. The newest version, 'Productivity Statistics 2012', included productivity indices such as the 'output index (value added in a given year/value added in a base year (2001) x 100, current price)', 'labour input index (labour input in a given year/labour input in a base year (2001) x 100%)', 'labour productivity index (output index / labour input index)', and 'wage value productivity (value added/total wage)'. PCK analysed these indices in five prioritised sectors: the 'agriculture sector', 'tourism sector', 'manufacturing sector', 'wholesale and retail sector', and 'financial services sector'.

In October 2012, the JICA expert in productivity measurement reviewed the contents of the current 'Productivity Statistics'. The indices which can be measured in Kenya, based on the current availability of raw data, were specified. The necessary revisions recommended by the expert are as follows:

- (1) To add the rate of change (growth rate) in each index

- (2) To add the unit labour cost (labour share)
- (3) To visualise the report (adding the charts and tables) and conduct further analysis on the data
- (4) To add a nominal level (not only indices, but also real data)
- (5) To make a summary of the report

Apart from the contents of the statistics, it was found that ‘Productivity Statistics’ was not known well even by stakeholders, according to the interview with FKE and COTU. As well as raising general awareness of the statistics, the method of publishing ‘Productivity Statistics’ should be improved.

3.3 Activities to be Implemented

The JICA Team and PCK specified the activities to be implemented in the study on productivity measurement in October 2012. The study has been conducted through the following activities.

- (1) Discussion with KNBS for the provision of raw data for productivity measurement and official request for the periodical provision
- (2) Implementing the necessary technical transfer to PCK C/Ps for improving the quality of productivity measurement
- (3) Making the draft of ‘Productivity Statistics 2013’ by PCK
- (4) Holding the (two) Workshops on Productivity Indices among PCK, FKE, COTU, MoLSSS and KNBS for reviewing the draft of ‘Productivity Statistics 2013’ and discussing necessary improvements (in order to improve the Statistics from the viewpoint of the user)
- (5) Revision of the draft of ‘Productivity Statistics 2013’, based on the result of the Workshops
- (6) Completion of ‘Productivity Statistics 2013’
- (7) Implementing a sensitisation programme on productivity indices for both FKE and COTU, in order to promote productivity concepts and explain the usage of productivity indices for wage determination

3.4 Availability of Basic Data for Productivity Measurement

The availability of accurate basic data is crucial for providing reliable productivity indices. It is necessary to structure a proper raw data collection system, expand the coverage of data, increase the frequency of data collection, and improve the contents of the data, in order for PCK to produce the productivity indices which are more valuable for the users. For this purpose, it is essential to build a collaborative relationship with the Kenya National Bureau of Statistics (KNBS), the provider of basic data related to productivity indices.

During the Project period, the condition of collecting the raw data for productivity measurement, as well as its availability for PCK, has been studied through the visits to KNBS and the Workshop on

Productivity Indices. As discussed in 1.7 in Part II, there are fundamental problems with raw data, and issues are shared between KNBS and PCK with a series of discussions during this Project.

- KNBS requested capacity development of the staff on productivity indices.
- PCK proposed to set up a committee on productivity indices having PCK, KNBS, FKE, and COTU as members.
- At the first JCC meeting, a suggestion was made that KNBS should be invited as an official member of JCC, as it would make it easier to establish seamless collaboration between PCK and KNBS in the study on productivity measurement. The suggestion was welcomed by other JCC members. An official request was sent to KNBS and it was accepted.

Based on the information provided, with the assistance of JICA experts, PCK specified the productivity indices which it would produce (see [Contents of ‘Productivity Statistics 2013’] in 3.5), and made a request to KNBS for provision of the necessary data. As the result, PCK has been able to receive the necessary data for producing productivity indices from KNBS periodically although some fundamental issues in raw data remain.

3.5 Improvement of ‘Productivity Statistics’ and Technical Transfer to PCK C/Ps

(1) Training of PCK C/Ps in Productivity Indices

Training in productivity indices was conducted for both PCK counterparts and the staff of MoLSSS. The study items were:

- Definition of productivity
- Importance of productivity measurement
- Outline of productivity statistics in Japan (periodical issue of ‘Labour Productivity Statistics’, ‘International Comparison of Labour Productivity’, etc.)
- Calculation of value added labour productivity
- Interpretation of productivity indices
- Publicity and quality assurance of productivity statistics

(2) Improvement of ‘Productivity Statistics’

Based on the review of the current ‘Productivity Statistics’ and the findings from the data available from KNBS, the JICA expert made a recommendation on the contents of ‘Productivity Statistics 2013’, as shown below.

[Contents of ‘Productivity Statistics 2013’]

The following indices are shown ‘by whole economy’ and ‘by main industry’.

1) Value Added (Gross output – Intermediate inputs: Volume and index)

This is the amount that has been produced through economic activity. At the macro level, value added is equivalent to GDP. At the micro economy (company) level, value added is calculated by subtracting the cost of supplied goods from gross sales. Value added consists of ‘corporate profit’, ‘wages’, ‘operating costs’, and ‘depreciation’. If the value added of a company decreases, the profit and the source of wages will be reduced (even if the sales amount of the company is sufficiently large).

2) Wage Value Productivity (Value added/Total wage)

This is value added per wage. If it increases, it means that the ratio of wages to value added is reduced. It also means that the share of the company’s profit has increased.

3) Labour Input (Volume and index)

This is the trend (increase or decrease) in employment.

4) Labour Productivity (Value added/Labour input: Nominal volume)

This is calculated as the amount of value added divided by labour input (it is the amount of employment in ‘Productivity Statistics 2013’). This indicator is used to measure how much value added is created by one unit of labour input.

If labour productivity is improved, it is possible to increase wages and profits under the condition that the labour share (Index 6) below) is stable. Labour productivity also indicates ‘economic efficiency’, namely, how efficiently value added is produced. By using the (industry average) data of productivity statistics, the company can compare their productivity level with the average level of the industry. The company can then understand the level of its efficiency.

In order to increase the wage level, it is necessary to improve the level of labour productivity. Otherwise, the company must pay wages by cutting benefits.

5) Labour Productivity Index (Growth ratio of labour productivity, compared to a given year)

This is the index to know the trends in productivity over a certain period. ‘Productivity Statistics’ include the following indices.

a. Productivity index

This indicates the change in the time series. For example, it is useful for comparing the current level and the level of five years ago. Additionally, it can be utilised to know how the productivity in the period has changed. ‘Productivity Statistics’ will indicate the change visually by utilising graphs.

b. Productivity growth rate

This is used to know how much productivity has changed compared to the previous year. If the labour share (Index 6) below) does not change, the 'wage increase rate' is equal to the 'productivity growth rate'. So, the productivity growth rate can refer to the ability to pay the wages of the company. In addition, by comparing the level with the industrial average, the company is able to understand its own level of economic efficiency.

6) Indicator on Labour Cost to Productivity

a. Labour share (nominal total wage/nominal value added)

This indicator indicates how value added is distributed to corporate profits and wages. In Japan, it is commonly used in labour negotiations. A decline means that the share of wages is reduced, while the company's share is increased. This index tends to decrease during an economic boom. On the other hand, it rises during a recession.

b. Unit labour cost (nominal total labour cost in a country/real GDP: volume and index)

Unit labour cost is the labour cost per value added. It is an indicator of the labour necessary to produce real value added. Unit labour cost is used as a macro economic indicator to describe the cost competitiveness of a nation or industry. An increase in unit labour cost represents the increase in labour cost in real value added, which indicates a decrease in cost competitiveness. It results in wage restraint and price increase. If productivity increases and unit labour cost decreases, cost competitiveness will increase. This results in upward pressure on labour cost.

The following indices related to 'capital productivity' by industries be considered to be studied in the future, if data on capital formation in industry level is available.

7) Capital Input Index (Growth ratio of capital input, compared to a given year)

This shows the trend of the total amount of equipment. It increases by investment in equipment and it will lead to the expansion of production and productivity growth.

8) Capital Productivity (Value added/Capital input: Nominal volume)

This refers to the degree to which equipment is efficiently used. An increase in this indicator means that management and production activities have become very efficient.

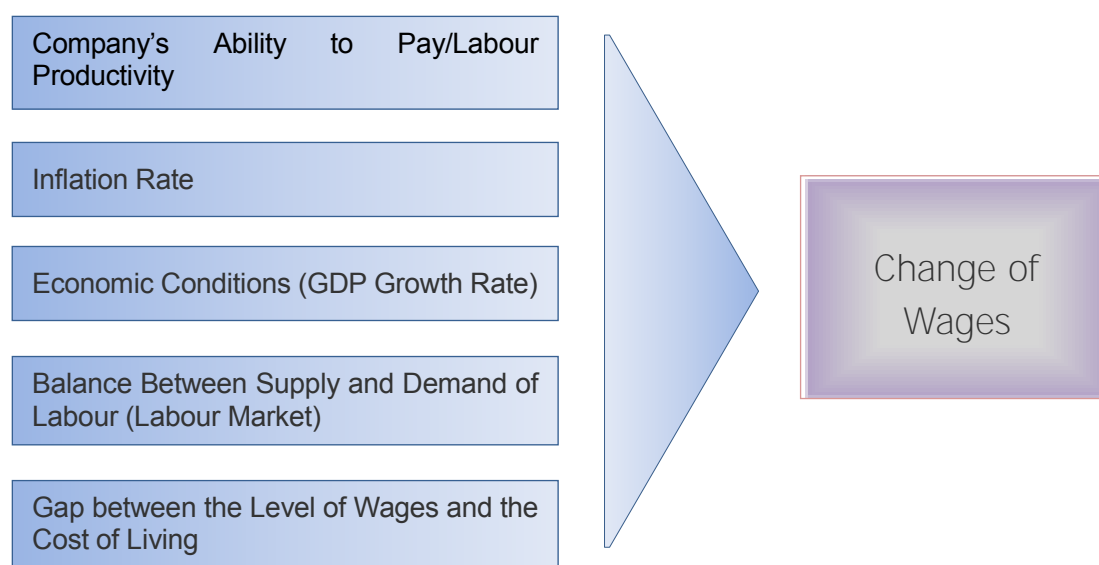
9) Capital Productivity Index (Growth ratio of capital productivity, compared to a given year)

This is the indicator to know the change in equipment in a time series. Graphs are used to visually show the trend from the past to the present.

(2) Wages and Productivity – Five Factors for Changing Wages

As previously mentioned, the main stakeholders of PCK, namely FKE and COTU, are expecting PCK to provide productivity indicators as one of the reference data items for wage determination. In the technical transfer to the PCK C/Ps, the JICA expert clarified how the productivity indicators can be utilised for revising wages.

There are five main factors affecting wage changes: a) company's ability to pay/labour productivity, b) inflation rate, c) economic condition (GDP growth), d) balance between supply and demand of labour (labour market), and e) gap between the level of wages and the cost of living. It is very important to understand that these factors must be studied and comprehensively considered when deciding whether to increase wages or not.



1) Company's Ability to Pay/Labour Productivity

A high level of productivity enhances the ability of the company to pay higher wage. Wages must be considered together with the labour share.

If the level of wage increase continues to exceed the level of productivity growth, corporate management cannot be sustainable. It means the company pays wages by cutting other necessary financial resources of corporate management. If labour share rises, it puts the pressure on corporate financial management.

If the wage growth rate is kept the same as the productivity growth rate, the rate of productivity growth can be a guideline of wage growth, under the condition that the labour share remains stable. If the productivity level is higher than the wage level, there is room for a wage increase.

2) Inflation Rate

If the inflation rate is higher than the nominal wage growth rate, real wages will decrease. Under this

condition, the pressure on wage increase rises, even if the productivity growth rate is at a low level.

3) Economic Condition (GDP growth)

If GDP (value added of a nation) increases, both domestic consumption and exports are expected to increase. It means both sales and profits of the company are likely to expand. It is the result of an increase in capacity utilisation and productivity growth of the company. It may lead to a rise in wages.

4) Balance Between Supply and Demand of Labour (Labour market)

If the demand for labour is less than supply of labour, there is less recruitment by companies and the unemployment rate will increase. Even if the wages are low, there will still be applicants for jobs. Therefore, although productivity is increased, it does not lead to a wage increase.

5) Gap between the Level of Wages and the Cost of Living

If the wages of a company are much lower than the standard cost of living, job applicants will not seek jobs at companies. For the company, it is necessary to increase wages, regardless of the productivity level. In this case, factors such as the standard level of living other than productivity greatly affect wage determination.

On the other hand, if the wage level is higher than the standard cost of living, factors such as the trend of inflation and productivity (company's ability to pay) become major factors in wage variation.

The content of 'Wages and Productivity – Five Factors for Changing Wages' is expected to be put into 'Productivity Statistics 2013' as a reference.

3.6 Workshop on Productivity Indices

In order to improve the quality of 'Productivity Statistics' from the viewpoint of users, a workshop on productivity indices was held twice by inviting the main stakeholders of PCK, namely FKE, COTU, and MoLSSS.

(1) First Workshop on Productivity Indices (2nd February, 2013)

The representatives from FKE, COTU and MoLSSS, who were specialised in labour-management relations and wage policy, participated in the first workshop, in order to review the draft of 'Productivity Statistics 2013' and discuss necessary improvements. First, the definitions of productivity indices, which were analysed in 'Productivity Statistics', were explained by the JICA-PCK Team. In addition, new content based on the needs of stakeholders, and the relationship between wages and productivity, was presented. And a draft of the 'Productivity Statistics' was penned by the PCK counterparts.

FKE emphasised the importance of the productivity concept and indices for both employers and workers. FKE suggested that PCK should conduct sensitisation training for the members of FKE, including both company executives and FKE's staff in charge of industrial relations. It recommended that the explanation should be made by avoiding technical jargon and speaking in plain language. The FKE representative, who participated in the training in Japan of this Project, took the example of Japan where wages consist of a fixed part and a variable part (as bonus) and the performance of productivity was mainly reflected in its variable part. She proposed the concept that a variable part of wages should be introduced to Kenya.

COTU consented to the importance of the indices for trade unions. It commented that COTU members should know how to calculate value added, as the fruit of productivity improvement, both at the national economy level and corporate level for negotiation with employers. COTU also requested PCK to implement sensitisation training in productivity indices for its members. PCK replied to both organisations that it would plan sensitisation programmes.

In terms of the revision of 'Productivity Statistics 2013', there were the suggestions such as the addition of analysis of sub-sectors, such as the energy sector, and the addition of an industrial comparison. The suggestions were taken into consideration in the further revisions of the statistics.

(2) Second Workshop on Productivity Indices (1st August, 2013)

The second workshop was held so that PCK could explain the contents of the final version of 'Productivity Statistics 2013' to the main stakeholders, in addition to studying their needs for the revision of the next year's edition. The representatives from FKE, COTU, and MoLSSS participated, along with KNBS, the provider of the basic data.

In the workshop, a discussion on the interpretation of the productivity indices was held. The exchange of opinions made the participants understand the indices better.

The comment that the casual labour force was not included in the labour input was raised. The JICA expert explained that it could be included more fully if the labour input could be captured more frequently, for example, on a quarterly basis. The other solution suggested was a change of labour input from 'amount of employment' to 'man hours'. Both of these measures require a change of data collection method by KNBS.

Currently, value added is calculated by adding the real data of both the formal sector and informal sector, while labour input is calculated by adding the estimated data of the informal sector to the real data of the formal sector. Therefore, the reliability of the productivity indices produced is not sufficiently accurate.

Since the formal sector is considered to be the target of wage negotiation between FKE and COTU, the JICA expert suggested that it was important to accurately analyse the trend of productivity in the formal sector only.

There was a comment that labour productivity was a partial analysis and it would be better to analyse capital productivity. It was notified by KNBS that the capital stock (tangible fixed assets), which is necessary for calculating capital productivity, was estimated at the national level, but not aggregated by the industrial sector level. Therefore, currently, it is not possible to make an analysis of capital productivity by industry.

As for the utilisation of productivity indices for wage negotiation, the JICA expert explained the 'Five Factors for Changing Wages' (aforesaid) and confirmed that wages should be determined by taking these factors into account comprehensively, according to the individual environment of the company. Besides, the JICA expert stressed that, among all the factors, it was only labour productivity that the company could improve by the efforts of its employers and workers. The expert also emphasised that, at this point, the most important point was the provision of reliable, neutral, and consistent indices by PCK.



First Workshop (2nd February, 2013)



Second Workshop (1st August, 2013)

At the end of the workshop, the participants confirmed the following:

- At the first workshop, FKE and COTU requested that PCK implement sensitisation training in productivity indices. The request was confirmed by the two organisations, and PCK would implement it in November 2013, with the assistance of JICA experts.
- PCK proposed holding a periodical meeting on productivity. All the parties agreed to it and decided to have a periodical meeting quarterly.

3.7 Sensitisation Programme on Productivity Indices

(1) Outline

According to the needs of both employers and trade unions for sensitisation towards productivity indices, PCK and the JICA Team implemented one sensitisation seminar each for FKE and COTU in November

2013. An outline of the programmes implemented is shown as follows:

Sensitisation Programmes for FKE and COTU on Productivity Indices

1. Objectives

This programme is to be held for FKE and COTU to understand the importance of productivity, so that they can make proper use of 'Productivity Statistics' in labour-management negotiations.

2. Date and Venue

FKE: 14:00-16:00, 4th November, 2013 in the board room of FKE

COTU: 12:00-13:30, 7th November, 2013 in the board room of COTU

3. Participants

FKE: 12 (Executive officers and officers of FKE)

COTU: 25 (Representatives of trade unions under COTU)

4. Programme

1) Welcome remarks by FKE or COTU

2) Productivity movement in Japan and three guiding principles (T. Fujita, JICA expert)

3) The relationship between wages and productivity (Y. Kiuchi, JICA expert)

4) Discussion

5) Trend of productivity in Kenya–Introduction of 'Productivity Statistics 2013' (J. Aduwo, PCK)

6) Discussion



Sensitisation Programme for FKE



Sensitisation Programme for COTU

(2) Results

Through the discussion in the programmes, it was found that there was a major gap in the understanding of productivity concepts and indices between FKE and COTU. Most of the FKE staff had heard of productivity indices, but did not know how to use them. COTU members mentioned that productivity indices were a new concept for them to consider as one of factor in wage determination.

Through the programmes, PCK's role in productivity measurement, namely the provision of neutral and reliable productivity indices, was understood by the participants from FKE and COTU. Both showed their willingness to refer to it for forming wage policy and implementing wage negotiation and to know more about the productivity indices.

In the discussion of the programmes, considering wage negotiation within an individual company, the

difficulty of sharing financial data to calculate productivity indices was pointed out as a crucial issue. It was also proposed that sensitisation towards productivity concepts and indices should be further implemented for employers and trade union members. In addition, as a theme for the future, it was asked how the productivity or performance of each individual worker/staff member should be measured. It is an issue related to performance appraisal systems such as the system of ‘management by objective’. This would be an area in which PCK could assist a company by training or consultation in the future.

3.8 Recommendation based on Study and Pilot Activities

In this Project, study and technical transfer and pilot activities (improving ‘Productivity Statistics 2013’, workshop with stakeholders, and sensitisation programmes) were implemented for productivity measurement. Based on these activities, the following are recommendations to maintain the results of the Project, as well as to make further improvement.

(1) Setting Up a Research Group for Improving the Quality of Productivity Measurement

In this Project, workshops with the stakeholders, such as FKE, COTU, KNBS, MoLSSS, were implemented and PCK’s annual report, namely ‘Productivity Statistics 2013’, was revised by incorporating the views and feedback of the stakeholders. In order to further improve the quality of ‘Productivity Statistics’ further, it is suggested that PCK set up a Research Group (with three to five members) which consists of external experts and PCK. The results of discussion in the Research Group should lead to improvement of the statistics from an academic viewpoint and development of new themes of productivity measurement. The roles and the members of the Research Group are stated as follows.

[Roles of the Research Group]

- Improving the accuracy of productivity measurement (including improvement of labour input from ‘the number of employees’ to ‘man hours’ and calculation of productivity indices of the formal sector)
- Extending the coverage (including extension to other industrial areas, calculation of capital productivity, etc.)
- Developing new themes of productivity measurement (including ‘productivity measurement in the industrial subsector’, ‘productivity measurement at the individual corporate level’, ‘total-factor productivity’, and ‘international comparison’).

[Members of the Research Group]

- Experts in universities⁴⁷

⁴⁷ There is an expert team in Kenyatta University, which researches total-factor productivity in manufacturing sector in Kenya.

- Experts in KNBS
- Experts in PCK

(2) Improving the Function of Disseminating the Results of Productivity Measurement

It was found that PCK's 'Productivity Statistics' was not known well. 'Productivity Statistics' should be disseminated to stakeholders and as many social partners as possible. Greater public witness brings various reactions and comments on 'Productivity Statistics'. Coping with the reactions and revising 'Productivity Statistics' based on the useful comments, its quality will eventually be improved.

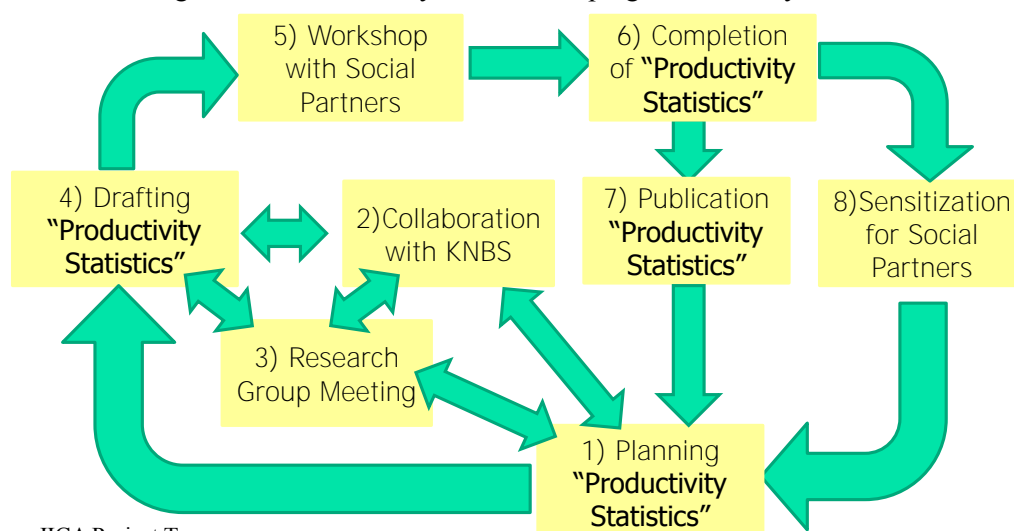
In addition to the delivery of the annually published booklet to stakeholders, such as industrial associations, trade unions, related ministries, governmental institutions and academic institutions, a press conference should be organised. Through newspapers and economic magazines, the results of 'Productivity Statistics' will be disseminated so as to raise public awareness of productivity indices.

As previously explained, there is a major gap in the understanding of productivity concepts and indices between FKE and COTU, who are the main users of productivity indices for wage determination. This gap prevents the effective utilisation of productivity indices when considering wage revision. Therefore, it is proposed that a sensitisation programme on productivity concepts and indices be continuously provided to industrial associations and trade unions.

(3) Establishing and Maintaining the Cycle of Developing 'Productivity Statistics'

Pilot activities on productivity measurement were implemented in this Project. They were part of the PDCA (Plan-Do-Check-Act) cycle for developing 'Productivity Statistics' (Figure: 3-3-1). After the Project, PCK should improve and maintain the cycle (This is explained more detail in 'Part IV. 2.8 Recommendation on Productivity Measurement').

Figure 3-3-1: Annual Cycle of Developing 'Productivity Statistics'



Source: JICA Project Team

(4) Improving the Provision of Raw Data for Productivity Measurement

In order for PCK to provide more accurate productivity indices, it is highly recommended that KNBS improve the data collection system: namely, more frequent provision of data (quarterly or half yearly, instead of annually), a more detailed breakdown across industrial sectors (into sub-sectors)/regions, and provision of accurate data on the formal sector.

Besides, KNBS's plan to publish an Input-Output Table⁴⁸ next year has been notified. If PCK becomes able to use it, it will help PCK improve the quality of 'Productivity Statistics'.

⁴⁸ Input Output Table is the indicator to describe the amount of production and sales by industries in matrix form. It shows the relation between different industries. For example, it shows that 'Industry A' mostly purchases raw materials from 'Industry B'.

4. Productivity Promotion Applicable to Kenya

In this Project, the necessary policies and methods to promote productivity improvement in Kenya were studied. It is believed that the widespread adoption of 5S methodology will raise the level of both productivity and quality in Kenya, as well as speeding up the implementation of quality and productivity improvement activities. One of the best practices in promoting 5S is found in Malaysia, the so-called 5S Certification system (now called the Quality and Environment Certification system).

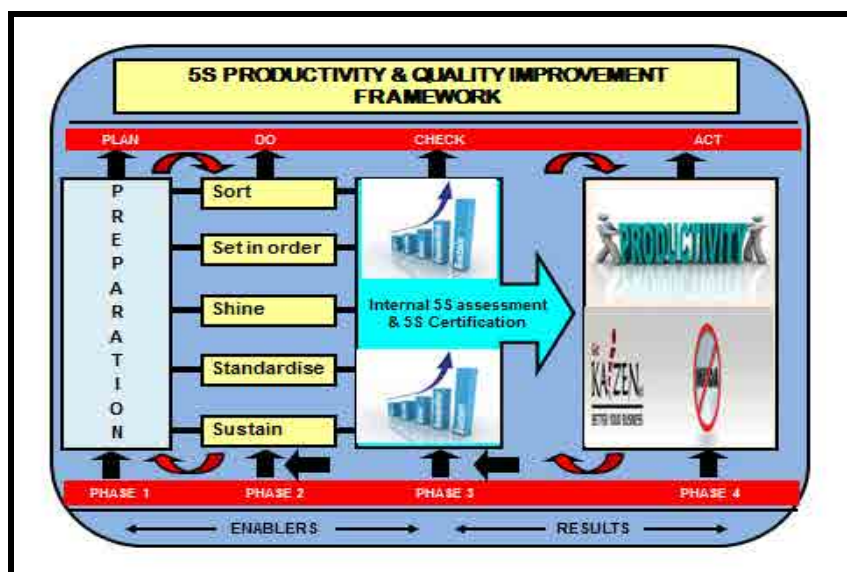
In order to study an applicable methodology for promoting productivity improvement in Kenya, first, as an example, 5S sensitisation in Malaysia was introduced. Then, the necessity and possibility of applying the system to Kenya were considered.

4.1 Introduction of 5S Sensitisation in Malaysia

Global economic challenges have changed the perspective of working culture towards excellent working performance with the adoption of best practice. One of the tools for achieving organisational excellence is quality environment (QE=5S) management techniques.

The QE/5S management framework in Malaysia is illustrated in Figure 3-4-1. The QE/5S management framework is for implementing and sustaining 5S in the PDCA cycle. QE/5S Certification is one part of 'Check' after the self-assessment conducted by each organisation. The standard criteria of 5S are applied to both the self-assessment and audit for QE/5S Certification. QE/5S management has contributed significantly to improving internal efficiency and operational effectiveness, as well as fostering on-time delivery systems to the delight of customers. To achieve this, organisations should integrate QE/5S activities into their business functions as part of their organisational culture.

Figure 3-4-1: QE/5S Productivity & Improvement Framework



Source: MPC

The Malaysia Productivity Corporation (MPC), a statutory body under the Ministry of International Trade and Industry (MITI), has been the leading organisation and disseminator of QE best practices in Malaysia. It has been continuously improving 5S activities as a more effective approach in business operations. 5S/QE systems are promoted through various kinds of training programmes, seminars, conventions, round-table discussions, 5S/QE best practice sharing sessions with international partners, and consultancy process innovation.

5S spread quickly once MPC introduced QE Certification with the assistance of JPC in the 1990s. As of December 2012, 1,286 organisations have obtained QE/5S Certification⁴⁹. The breakdown of the organisations is as follows: 745 governments, 125 SMEs, 22 multi-national companies, 87 large companies, and 307 service-related companies (private)⁵⁰. An increase of 34% from 431 companies in 2011 to 577 companies in 2012 was recorded⁵¹. The 5S/QE initiative has been the foundation for continuous improvement in operations and service delivery systems, as well as inculcating a productivity and innovation culture in an organization in Malaysia.

4.2 Findings in Kenya (1)–Needs for 5S Sensitisation of PCK

5S has been accepted as an entry point of all productivity improvement activities in, mostly, large and well-developed companies in Kenya. Various types and sizes of industries including some advanced small and medium-size enterprises, government agencies, and hospitals have adopted 5S implementation. Based on the introduction of the successful case of Malaysia, PCK showed that 5S promotion, such as 5S Award/Certification, would be useful to Kenya for promoting productivity improvement in both the private and public sectors. It is important to stress here the need to enhance and strengthen 5S, which will support all quality improvement approaches to move forward. Since PCK has become the focal point for productivity movements in Kenya, our suggestions are as follows.

(PCK's Roles and Function)

Aligned with the Kenyan Government initiative Vision 2030, PCK should focus on management training & advisory services in the area of productivity and competitiveness. At this transformation shift, PCK refocused its programmes and activities, based on KAIZEN movements such as 5S conventions and 5S model award activities. This is to ensure that businesses are transformed to be more productive through productivity tools, processes, and systems as well as to create a multiplier effect to reach out to industries.

The aim is to build the foundations of PCK so that it will be a stronger and more inclusive body so as to

⁴⁹ According to MPC Annual Report

⁵⁰ According to MPC Annual Report

⁵¹ According to MPC Annual Report

have a quantum-leap impact on productivity growth with a focus on continuously emphasising process and social improvements to create a strong productivity innovative culture that can boost the adoption of 5S culture.

4.3 Findings in Kenya (2)–Needs for 5S Sensitisation of Companies

(1) Results of the ‘Questionnaire on 5S activities and the Needs for 5S Award/Certification’

During the Project period, the JICA Team and PCK implemented the questionnaire on 5S activities and the needs for 5S Award/Certification to the companies,⁵² public sector, and TSPs which knew the 5S concept. A total of 57 replies (19 from companies, 7 from governmental organisations, 11 from universities/colleges, and 20 from TSPs) have been received. The results indicate the following:

- Some of the benefits of 5S are understood to be the following: ‘5S activity enables us to visualise various waste at the workshop’ (agree=98.2%), ‘After implementing 5S, we can apply further productivity improvement activities, such as KAIZEN, QC, LEAN, etc.’ (agree=98.2%), and ‘Through 5S, we can improve the consciousness of workers/managers towards productivity improvement’ (agree= 98.2%).
- The main difficulties that they face in implementing and sustaining 5S are: ‘Workers do not cooperate with 5S without clear incentives’ (agree=74.5%), ‘Top executives are not satisfied with 5S, because they think that 5S does not create profit’ (agree=67.3%), and ‘We do not know how to implement 5S’ (49.5%). Although the merits of 5S are clearly understood, it is suggested that strong incentives which can satisfy executives and workers are needed for implementing and sustaining 5S.
- Almost all showed interest in applying ‘5S Award/Certification’, if it is established (total 98.0%, very positive=72.5%, positive=25.5%). The reasons are, for example: ‘5S Award/Certification can motivate managers/workers to sustain productivity improvement activities’ (78.9%) and ‘5S Award/Certification ensures the excellence of our management system’ (59.6%). The results show that 5S Award/Certification can be a clear incentive to implement and sustain 5S.
- As for willingness to pay for applying for 5S Award/Certification, the replies vary, but the range that is selected by more organisations is 30,001-50,000 Ksh (19.3%), followed by the range of 50,001-100,000 Ksh (15.8%).

As far as the results of this questionnaire are concerned, there are clear needs for 5S Award/Certification as a method of implementing and sustaining 5S, because 5S Award/Certification is expected to help a company motivate their managers/workers and ensure the excellence of their management system.

⁵² The details are shown in Appendix 13.

(2) Results of Consultation for Pilot Companies

In Kenya, many companies have not adopted 5S as a system or method to develop organisation and standardisation of their workplace, shop floor, and office. It seems that companies are not aware that 5S is a prerequisite to implementing any other LEAN improvement methods, i.e., KAIZEN, preventive maintenance (TPM), quality system (TQM), and standard operating procedure (SOP).

However, the results of the consultation for pilot companies confirmed the need for 5S from Kenyan companies. With the assistance of the JICA-PCK Team, all of the 12 pilot companies started to implement 5S activities as an entry to productivity improvement, and all of the six companies in the first year have continued it even after the termination of the consultation activity. In these companies, 5S committees were formed, and training in 5S for managers/workers was conducted. One of the executives of the pilot companies commented that 5S brought a cultural change of people into his company, while another manager admired 5S as a Renaissance taking place in his factory. Based on 5S, most of the pilot companies have implemented further productivity improvement activities. They are regarded as good examples of understanding the effectiveness of 5S and implementing 'productivity improvement activities that start from 5S'.

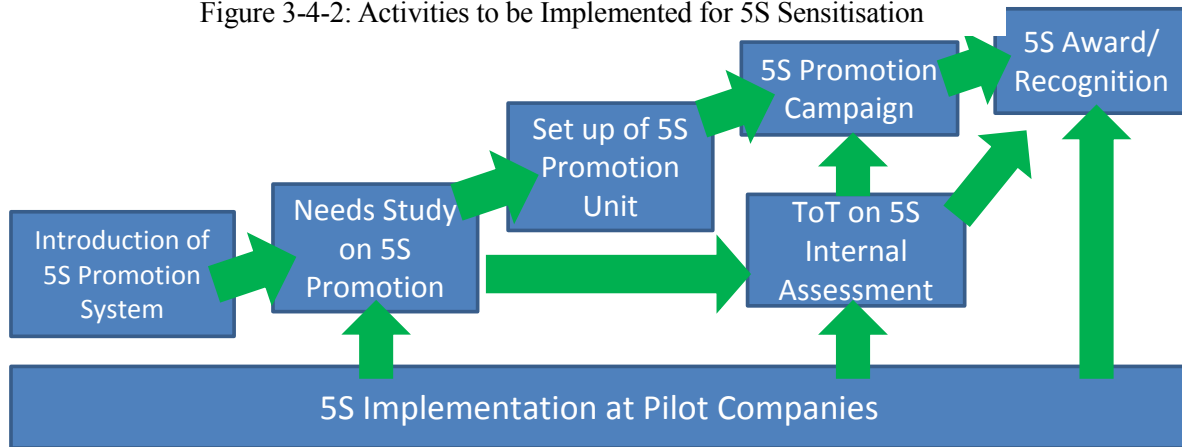
In addition, as a result of the training programme in Malaysia, all the participants, who belong to the ministries of Kenya, agreed upon that the adoption of 5S would improve the service process of the public sector, based on 5S implementation in the public sector in Malaysia. 5S Award/Certification will be regarded as the measurable indicator for adoption in the future.

4.4 Activities to be Implemented

According to PCK's intention to implement 5S sensitisation and the clear needs of companies for 5S, the JICA Project Team and PCK specified the activities to be implemented for 5S sensitisation.

- (1) Introduction of the 5S promotion system
- (2) Needs Study on 5S promotion
- (3) Setting Up of a 5S Promotion Unit
- (4) 5S Implementation at Pilot Companies
- (5) ToT on 5S Internal Assessment
- (6) 5S Promotion Campaign
- (7) 5S Award/Recognition

Figure 3-4-2: Activities to be Implemented for 5S Sensitisation



Source: JICA Project Team

During the Project period, some activities, including ‘Introduction of 5S Promotion System (Case in Malaysia)’, ‘Needs Study on 5S Promotion’, ‘5S Implementation at Pilot Companies’, and ‘ToT on 5S Internal Assessment’, were implemented. On the other hand, other activities such as ‘Setting Up of 5S Promotion Unit’, ‘5S Promotion Campaign’, and ‘5S Award/Recognition’ were not implemented, due to the limited human resources of PCK.

At the end of the Project, a pilot 5S audit of three companies was implemented, in order for PCK to be ready to implement 5S audit after the Project.

4.5 Training of C/Ps on 5S Internal Assessment

To transfer the skills necessary for 5S assessment, training for PCK CPs was conducted on 17th -19th April, 2012 with the following objectives:

- To share ideas on how to sustain the implementation of the 5S programme
- To develop a system of assessing the sustainability of the 5S programme
- To understand the 5S internal assessment process
- To understand 5S internal assessors’ responsibilities and Do & Don’ts
- To employ the Plan-Do-Check-Act model as guiding principles for audit

Apart from PCK C/Ps, 13 persons (five from MoLSSS, three from companies, three from universities/technical college, one from local government, and one from TSPs) participated in the training. They should be recognised as 5S internal assessors and they are expected to implement 5S activities at their organisations and formulate ‘5S showcases’ in each department.

The participants from the private sector expressed great interest in and expectations of the 5S audit and certification system built in Kenya. Other participants from the public sector showed their expectation that PCK was sufficiently strengthened to hold such seminars by themselves through the JICA Project.

Based on the training, ‘ToT on 5S Internal Assessment’ sessions were held twice, in October 2013 and December 2013 (refer to ‘Part II. 2. Pilot Training of Trainers for Technical Service Providers’).

4.6 Implementation of Pilot 5S Audit

In January 2014, a pilot 5S audit of three companies was implemented, in order for PCK to be ready to implement 5S audit after the Project. The pilot 5S was aimed at establishing a 5S audit system, as well as training PCK consultants with practical experience in 5S audit.

Date	Companies	Reference
21th January 2014	Supacosm Products Ltd.	Pilot company for 1 st year in the JICA Project
23rd January 2014	Power Technics	Pilot company of PCK
24th January 2014	PCK	

As the result of this audit, a standard 5S assessment score with a star rating⁵³ and a checklist were developed. The processes of 5S audit, including planning, implementing, and reporting, were clarified.



5S Audit at Supacosm Products



5S Audit at PCK Office

4.7 5S Sensitisation Strategies in Kenya

PCK needs to be the focal point to spearhead Kenya's productivity improvement for Kenya Vision 2030. The 5S productivity tools will complement tangible economic indicators, and improve operational effectiveness in both the public and private sectors.

5S adoption lays the foundation and a holistic approach for long-term success, aiming to radically transform the public and private sectors through progressive changes in practices. Figure 3-4-3 shows 5S Sensitisation Strategies proposed in Kenya.

(1) National 5S Campaign

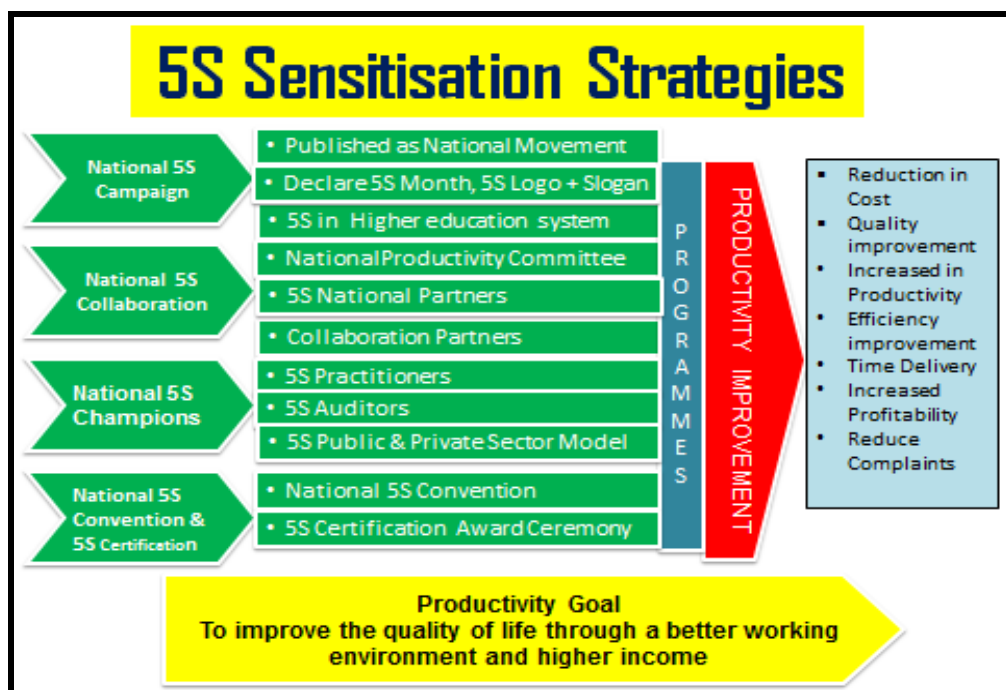
The objective of the 'National 5S Campaign' is to publicise 5S as a national movement with the main focus on fostering positive attitudes and promoting teamwork whereby 'together, we achieve

⁵³ The 5S assessment score and star rating are shown in Appendix 14.

excellence’.

In line with this, formation of the National Committee on Productivity with high-level representation from government, employer groups, unions, and academia will have an impact on the productivity movement with media support.

Figure 3-4-3: 5S Sensitisation Strategies



Source: JICA Project Team

Declaration of ‘5S Month’ with media support will create widespread awareness of productivity among the public and private sectors and the workforce with impactful programmes coordinated among the agencies. Greater impact of 5S sensitisation will be achieved through the **5S logo and slogan**. The award for the nationwide competition should be presented during the ‘National 5S Convention’.

Integration of **5S into the higher education system** can be introduced at the post-graduate level for practical (hands-on) business projects and for the undergraduate level as one of the elected subjects. This is with the objective of giving prior exposure to those in pre-employment so they can embrace the philosophy of 5S practice and put it into practice when they start work.

(2) National 5S Collaboration

‘National 5S Collaboration’ acts as a one-point centre to facilitate 5S sensitisation for effective partnership between the public and private sector. As PCK progresses to its next stage of development, collective efforts should be undertaken to mobilise a higher level of internal as well as external cooperation in 5S sensitisation. In order for PCK to become the focal point for spearheading the productivity improvement movement nationwide, it is of primary importance that PCK establishes **‘National 5S Partners’** with relevant TSPs, such as KIBT, PTAK, KIM, NITA, KNCPC, KSG, and

academic institutions.

In the endeavour to achieve shared goals, PCK should be engaged in productive discussion with 5S and network partners in various sessions of round-table discussion chaired by the head of PCK and should be held with a specific theme quarterly with the reflected agencies. This will continuously provide a platform to communicate and disseminate the initiatives of the Productivity & Quality Promotion Department. This networking will strengthen the integration of the productivity movement and quality improvement movement to maximise resource utilisation, to facilitate successful experience-sharing, and to accelerate the movement.

Collaboration partners are in neighbouring countries who have established successful 5S implementation. This will provide opportunities for PCK to expand international benchmarking projects to more industries.

(3) National 5S Champions

Recognising 5S Practitioners (individuals) as ‘National 5S Champions’ is to develop their expertise and accelerate 5S sensitisation. Certification can be awarded to 5S Auditors and 5S Consultants. Awarding ‘National 5S Champions’ will contribute to increasing the number of organisations implementing 5S, as well as individuals practicing 5S. Figure 3-4-4 illustrates a guideline for recognition of ‘5S Champions’. Effort should also be made to develop database management for TPSs who have completed a ToT programme and to recognise those who have a proven track record in 5S implementation and involvement as **5S Practitioners** and as **5S Internal Assessors (5S Auditors)**. All TPSs that have participated in a ToT programme are expected to implement 5S activities at their organisation as a team to reinforce productivity improvement.

Figure 3-4-4: 5S Champion Recognition

National 5S Champion		
Standards & Competency	Measure & Recognize	Certify
<ul style="list-style-type: none">• Able to Lead 5S Implementation• Standardise 5S Consultancy Manual• Competency to audit 5S implementation at public and private sectors	<ul style="list-style-type: none">▪ Able to develop three 5S Showcase Organisations annually and 5S certify	<ul style="list-style-type: none">• 5S Champions• Public and Private Sectors as Kenya 5S Show Case

Source: JICA Project Team

(4) National 5S Convention

The Kenya '**National 5S Convention**' will be the prime event organised by PCK, as the country's lead agency, to spearhead the productivity movement. It will enable PCK to create greater awareness of the importance of productivity across a society in transition. The '5S Convention' is a platform for 5S implementing organisations with 5S Certification to demonstrate their achievements in inculcating excellence in work culture through the 5S management system. It provides participants with key learning points about standardised processes and some of the best practices observed.

The climax of this Convention will be the 5S award ceremony for selected entities in the public and private sectors through the 5S competition. **The prime award will be a trophy presented by the Cabinet Secretary of the Ministry of Labour, Social Security and Services.**

5S Certification will be one of the strategic recognitions during this event for organisations of the public and private sectors that are committed to improving their business efficiency and regarded as drivers encouraging the public and private sectors to engage in a sustainable 5S management system.

5. Productivity Promotion Seminar

5.1 Background & Objectives

The JICA Team and PCK implemented two productivity promotion seminars during the Project period. The objective of the productivity promotion seminars was to introduce the results of the Project, including the National Productivity Policy, consultation for pilot companies, implementation of ToT for TSPs, and provision of 'Productivity Statistics'. In particular, it is very effective to introduce the results of consultation for pilot companies, so as to promote the applicability of productivity improvement methods in Kenya.

5.2 Implementation of the Seminar

(1) Productivity Promotion Seminar for the First Year (13th February, 2013)

i) Programme

The programme was as described below. Firstly, the importance of productivity improvement in national development was explained by the senior officials in MoLSSS, NESC, and PCK. The experiences of the national productivity movement and productivity improvement activities in Japan were explained by the JICA experts. Then, two cases of pilot activities were introduced by the managers/staff of the companies. In order to show the applicability of productivity improvement methods both in large and small companies, Vegpro and Supacosm were selected (Vegpro represents large companies, while Supacosm Products represents small companies).

[Productivity Promotion Seminar–Application of Japanese KAIZEN Concept to Kenya]

1. Date: Wednesday, 13th February, 2013
2. Venue: Sentrim Hotel 680 in Town, Nairobi
3. Schedule:
 - 8:30- 9:00 Registration
 - 9:00- 9:10 Welcome remarks by Mr. Alfred Mogere, Senior Deputy Secretary, Ministry of Labour
 - 9:10- 9:20 Remarks by Dr. Julius Muia, Secretary, National Economic and Social Council
 - 9:20- 9:40 'Outline of the Productivity Centre of Kenya and the JICA Project' by Ms. Purity Kamau, Director of Productivity Centre of Kenya (PCK)
 - 9:40-10:10 'Productivity Movement in Japan' by Mr. Takeshi Fujita, Chief of the JICA Project Team
 - 10:10-11:10 'Outline of KAIZEN based on the Toyota Production System' by Mr. Katsutoshi Ikeda, Deputy Chief and Expert of the JICA Project Team
 - 11:10-11:40 Tea break
 - 11:40-12:20 The results of application of KAIZEN in Vegpro (K) Ltd., by Mr. Edward Karanu, Operations Manager, Vegpro (K) Ltd.
 - 12:20-13:00 The results of application of KAIZEN in Supacosm Products Ltd., by Ms. Elizabeth Odipo, Quality Assurance Officer, Supacosm Products Ltd.
 - 13:00-13:15 Presentation of the certificate to the pilot companies
 - 13:15-13:30 Closing remarks by Ms. Kaneko Kazuyo, JICA Kenya Office
 - End and Lunch

ii) Participants

There were 155 participants. They included about 40 from governmental officials, 70 from companies (including pilot companies), and about 20 from TSPs (organisations/individuals). Promotion was conducted through an advertisement in the *Daily Nation* twice.

(2) Productivity Promotion Seminar for the Second Year (28th January, 2014)

i) Programme

Firstly, the importance of productivity improvement in national development was explained by the senior officials in MoLSSS. PCK presented an outline and the roles of PCK, as well as an outline of this Project. Japanese experiences of the national productivity movement and productivity improvement activities (KAIZEN based on the Toyota Production System) were explained by the JICA experts. Then, two cases of pilot activities were introduced by the managers/staff of the companies. In order to show the applicability of productivity improvement methods both in large and small companies, Rukuriri Tea Factory of KTDA (large) and Greenforest Foods (SME) were selected. Certification of participation in pilot consultation was delivered to the six pilot companies.

[Productivity Promotion Seminar- Application of Japanese KAIZEN Concept for Productivity Improvement in Kenya]

1. Date: Tuesday, 28th January, 2014
2. Venue: Laico Regency Hotel, Nairobi
3. Schedule
 - 9:30 - 9:40 Opening remarks by Mr. Ali Noor Ismail, Principle Secretary, Ministry of Labour, Social Security and Services
 - 9:40 - 10:00 Presentation of certification to pilot companies
 - 10:00 - 10:20 'Outline of the Productivity Centre of Kenya and the JICA Project' by Ms. Purity Kamau, Head, Productivity Centre of Kenya (PCK)
 - 10:20 - 10:40 'Productivity Movement in Japan and Other Best Practices' by Mr. Takeshi Fujita, Chief of the JICA Project Team
 - 10:40 - 10:55 Q&A session
 - 10:55 - 11:20 Tea break
 - 11:20 - 12:05 'Outline of KAIZEN based on the Toyota Production System' by Mr. Katsutoshi Ikeda, Deputy Chief of the JICA Project Team
 - 12:05 - 12:35 The results of application of KAIZEN in Rukuriri Tea Factory, Kenya Tea Development Agency Ltd.
 - 12:35 - 13:05 The results of application of KAIZEN in Greenforest Foods Ltd.
 - 13:05 - 13:20 Q&A session
 - 13:20 - 14:20 Lunch break
 - 14:20 - 14:50 '5S Internal Assessment in Malaysia and the Suggestions to Apply Its System to Kenya' by Dr. Sugumaran Muniretnam, Expert on productivity and quality improvement of the JICA Project Team
 - 14:50 - 15:10 'Introduction of Productivity Indices in Kenya and Its Analysis' by Mr. Jared Aduwo, Chief Productivity Officer, Productivity Centre of Kenya
 - 15:10 - 15:30 'The Policy Recommendations for Productivity Improvement in Kenya' by Ms. Ayako Ishiwata, Expert on policy and institutions of the JICA Project Team
 - 15:30 - 15:50 Q&A session
 - 15:50 - 16:00 Closing remark by Mr. Koji Noda, Senior Representative, JICA Kenya Office

In the latter part of the programmes, the results of the activities in this Project, such as study on productivity promotion through 5S, improvement of productivity measurement, and study on the policy and institution for productivity improvement in Kenya, were introduced by JICA experts and PCK officer.

ii) Participants

There were 270 participants. They included about 60 from governmental officials, 150 from companies (including pilot companies) and individuals, 20 from ToT organisations, and 40 from the media. Promotion was conducted through an advertisement in the *Daily Nation*, as well as the invitation to the related ministries, county governments, the main stakeholders of PCK (FKE, COTU, and other industrial associations), pilot companies, TSP organisations, and the media.

5.3 Results

(1) Contents of the Programmes

The result of the evaluation showed that most of the participants were satisfied with the programme especially the contents featuring both experience in other countries (Japan, Malaysia and other countries) and practical cases in Kenya.

In Q&A, the participants discussed the effectiveness, difficulties, and countermeasures, in terms of applying PI tools to Kenyan companies. For example, there was a concern raised by some participants that fewer might be required after productivity improvement activities were implemented and that an excess of workers would be created at the workshop. One general manager of a pilot company mentioned that, after the implementation of productivity improvement activities, the company set up a new production line by utilising excess workers and saved space. Sales and profit greatly increased very much, and he is now considering building a new factory. The pilot company is a good showcase in that productivity improvement not only increases the profit but also creates new employment.

There were also questions related to cultural issues hindering productivity improvement in Kenya. The JICA expert introduced a case in Japan where the concepts related to a productivity mindset, such as ‘be punctual’, ‘keep tidy’, and ‘eliminate waste’, are mostly taught in childhood, while people also learn how to work effectively through training within the industry after they are employed. So, the JICA expert emphasised the importance of integrating PI related concepts into the education curriculum in Kenya.

(2) Impacts

In both of the seminars for the first and second year, an overwhelming response from interested participants was received, arising from the advertisement in *the Daily Nation*. In particular, as for the seminar in the second year, application from the general public had to be closed in only a week, since

there were about 100 applications, which were more than the allocated slots, in the first three days. This proved the high interest of the people in productivity-related topics.

It was also noted that the contents of the seminar both in the first and second year were introduced on KBC News. In addition, the contents of the seminars were introduced through many media as news articles⁵⁴.

Besides, after the seminar, many companies/organisations showed interest in receiving services on productivity improvement from PCK and asked PCK what the necessary requirements were.



Opening Address by MoLSSS (1st Year)



Presentation of Certificate to Pilot Companies (1st year)



Opening Address by Mr. Ismail, PS, MoLSSS (2nd Year)



Presentation of Certificate to Pilot Companies (2nd Year)

⁵⁴ The articles on the seminar are shown in Appendix 15.

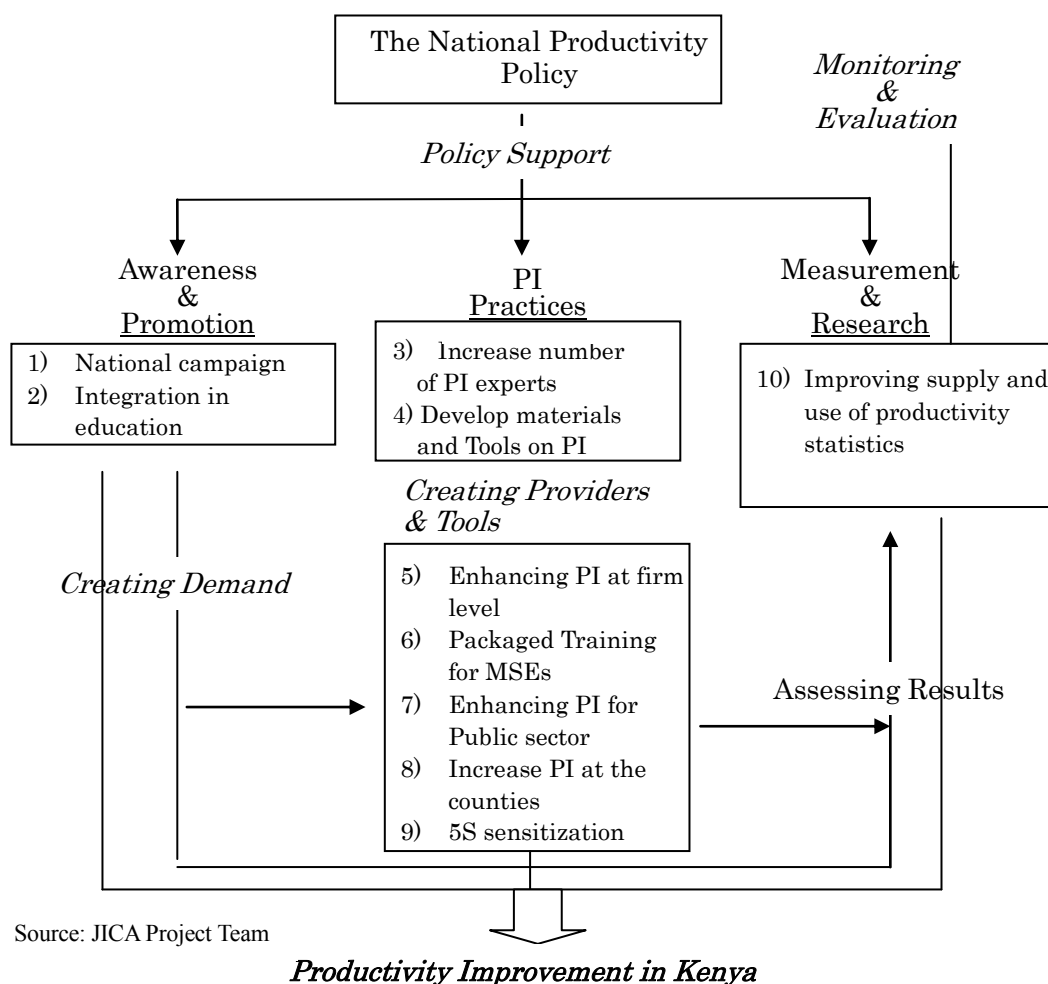
Part IV. Priority Action Plans and Recommendation

1. Priority Action Plans

1.1 Priority Actions and Their Backgrounds

10 Priority Action Plans (PAPs) are recommended to be implemented in order to concretise implementation of the flagship projects relating to productivity improvement in the Second MTP of Vision 2030 and the National Productivity Policy. 10 PAPs are selected from the action items under each of the three pillars outlined in the Strategic Plan of PCK 2013/2014-2017/2018 (Figure 4-1-1).

Figure 4-1-1: Structure of 10 Priority Action Plans for Promoting Productivity Improvement



The first pillar, *Productivity Awareness Promotion*, aims to raise awareness of productivity improvement tools and concepts up to 60% of the population as stated in the National Productivity Policy. Learning from the best practices in productivity movements such as those in Japan, Malaysia, and Ethiopia; strong leadership and an intensive national campaign is required for effective and rapid dissemination of the concepts and tools of productivity improvement throughout the nation. Therefore, establishment of a

strong coordination body, the National Committee on Productivity, which facilitates collaboration with various stakeholders related to productivity improvement, is the first item on the agenda for implementation of the national productivity campaign. Productivity sensitisation has to be targeted at various levels of people in addition to sensitisation of managers and workers both in the public and the private sectors. So it is important to increase productivity awareness among the youth, who can easily adopt new concepts and practice them in their daily life. This will contribute to creating a productivity culture in Kenya. On this account, integrating productivity concepts and tools into the education curriculum should be realised from an early age of education.

Proposed PAPs in the first pillar are as follows:

- 11) Implementing national productivity campaigns
- 12) Integrating productivity concepts and tools into the education curriculum

As demand for productivity improvement increases in the first pillar, the second pillar, *Productivity Improvement Practices*, involves activities for supporting actual enhancement in productivity improvement. If more sensitisation programmes are conducted, and the effectiveness of applying productivity improvement methods to firms/agencies is well acknowledged, demand for consultation on productivity improvement is expected to increase rapidly. Through pilot consultation in this Project, the strong needs for productivity improvement at the firm level were confirmed. With the assistance of JICA experts and PCK, all the pilot companies have started 5S activities, and most of them maintain 5S practice after completion of consultation. With 5S activities as the basis, the companies initiated further productivity improvement activities such as production process improvement and waste elimination from operation. These companies requested further assistance from PCK. Besides, strong needs for training in productivity improvement both from companies and TSPs were acknowledged. Therefore, there is sure to be essential and strong demand for productivity improvement at the firm level as well as the training of trainers (ToT). In addition, productivity improvement in the public sector also has to be targeted since the public sector is the key element in the economy and society. Moreover, in line with the flagship projects in the Second TMP of Vision 2030, actions need to be taken focusing on productivity improvement of MSEs and in the counties.

Proposed PAPs in the second pillar are:

- 13) Increasing the number of PI experts
- 14) Developing materials for PI best practices and PI tools
- 15) Enhancing consultation services on PI at the firm level
- 16) Providing packaged PI managerial training/guidance to MSEs
- 17) Enhancing training and consultation services on PI to the public sector
- 18) Increasing the counties' productivity levels and competitiveness

19) Implementing 5S sensitisation

Then the third pillar, *Productivity Measurement and Research*, shall monitor and evaluate the overall outcome of the PAPs in the first and second pillars and will feed back to the monitoring framework of the National Productivity Policy. Based on the two workshops on productivity indices with the main stakeholders (FKE, COTU, MoLSSS, and KNBS), the necessity of constant provision of reliable and objective productivity indices was confirmed in order to assess the result of productivity-related policies/programmes and determining wages. PCK bears the main responsibility for providing the productivity indices with the assistance of KNBS, which is the provider of raw data. In addition, in order to enhance sound labour-management relations, sensitisation towards the productivity concept and indices for both the employers (FKE) and the trade unions (COTU) is essential.

The proposed PAP in the third pillar is:

20) Improving the supply and use of productivity statistics

1.2 Implementation Structure of PAPs

Productivity improvement is on the national agenda, and actions to enhance productivity improvement cut across the functions of the various ministries. Therefore, it is highly recommended that implementation of PAPs be spearheaded by the National Committee on Productivity and that the Committee be chaired by the very top executive of the country. Then sub-committees or taskforces under the Committee shall be established as implementation bodies of specific PAPs. NPA acts as secretariat to the Committee and is responsible for implementation of most of the PAPs⁵⁵. There are two action plans, which are assumed to be spearheaded outside the direct responsibility of the National Committee on Productivity.

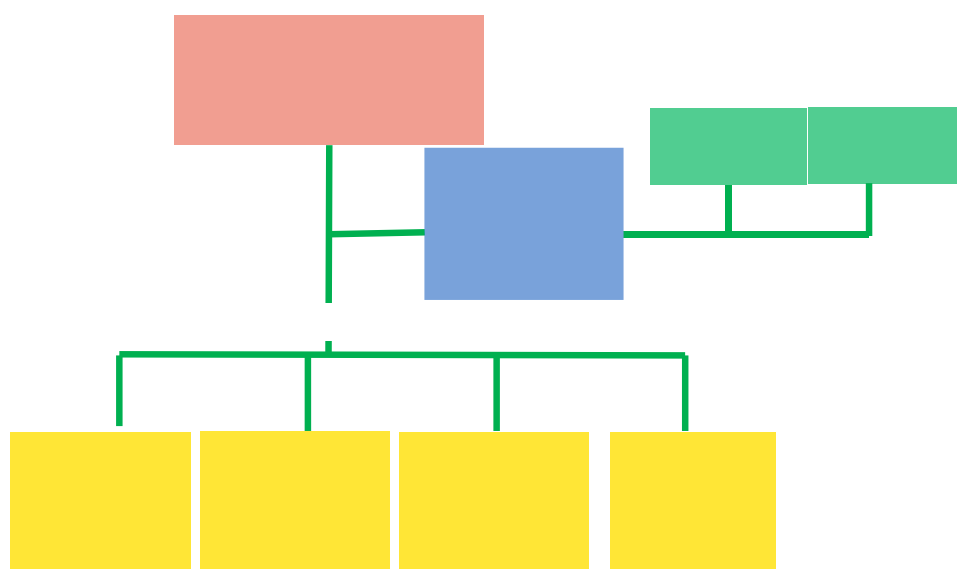
There are the following two exceptions:

- PAP No. 2 on integration in the education curriculum, which assumes that NPA joins the curriculum review session conducted by MoEST and the Kenya Institute of Curriculum Development (KICD) and
- PAP No. 6 on packaged managerial training/guidance for MSEs, in which MSEA in collaboration with KIBT is expected to take the leading role.

The full involvement of PCK in these PAPs is assumed under the condition that PCK is equipped with sufficient human resources equivalent to that of NPA, which will be established after the National Productivity Authority Bill is enacted. However, the actions proposed in the PAPs should be initiated without waiting for enactment of the Bill.

⁵⁵ PAP No.8 consists of cross-cutting activities introduced in other PAPs. Therefore, the establishment of implementation structure is not necessary.

Figure 4-1-2: Implementation Structure of 10 PAPs



Source: JICA Project Team

1.3 Individual PAPs

Individual PAPs are explained in detail in the following 10 separate tables.

Notes:

- 1) The first organisation in the list of implementing agencies is the expected leading coordinating agency (as underlined) for individual PAPs.
- 2) The project estimate in Phase 1 is calculated by the JICA Expert Team as development expenditure of activities between 2014/2015 and 2017/2018. The estimate does not include the recurrent costs of public agencies.
- 3) According to the discussion between PCK and JICA Project Team, it was confirmed that PCK would focus on PAP No.1, 3, 5, and 10 as priority in 2013- 2014 (before the transformation to NPA), since these were clarified as key outreach performance of PCK.

Project Name: Implementing National Productivity Campaigns																																							
<p>[Background]</p> <p>This PAP intends to set a national framework to improve the productivity culture throughout the nation with the initiative of the National Committee on Productivity. PI is considered indispensable for attaining the goals envisaged under Vision 2030. However, productivity concepts and methods are not yet well acknowledged throughout Kenya. In order to create a productivity culture, one of the pillars in the National Productivity Policy, it is important to make people more aware and conscious of concepts and tools for PI. Most successful cases in which productivity improvement spread at high speed throughout a nation are typically driven by the head of state (e.g. Malaysia and Ethiopia). It is of utmost importance that the policy and strategies for productivity improvement are discussed by the top decision-making body of the Government of Kenya. As stated in the National Productivity Policy and Section 14 of the NPA Bill, the National Committee on Productivity has to be formed with representatives from the Government, industries, trade unions, academia, and other professionals who shall coordinate the implementation of the national productivity campaign. Intensive promotion by setting up a 'Productivity Month' and campaigns related to it are required so as to catch the attention of the wider population regarding the importance of PI. The target indicator in this PAP accords with the National Productivity Policy.</p>																																							
<p>[Objective]</p> <p>People at various levels of society in Kenya become aware of productivity concept and tools.</p>																																							
<p>[Implementing Agencies]</p> <p>NPA, MoLSSS, MoIED, MoDP, FKE, COTU, KEPSA, the media</p>																																							
<p>[Scope of Work]</p> <table border="1"> <thead> <tr> <th>Work Items [Lead Institution]</th><th>Phase 1 2014-2017</th><th>Phase 2 2018-2022</th><th>Phase 3 2023-2030</th></tr> </thead> <tbody> <tr> <td>(1) The National Committee on Productivity to be established and operationalised [MoLSSS, NPA]</td><td>←</td><td></td><td>→</td></tr> <tr> <td>(2) A sub-committee for the national productivity campaign under the National Productivity Committee to be set up and operationalised (SP 1.2.1) [MoLSSS, NPA]</td><td>←</td><td></td><td>→</td></tr> <tr> <td>(3) The National Productivity Policy to be launched under Sessional Paper No. 3 of 2013 [MoLSSS, NPA]</td><td>↔</td><td></td><td></td></tr> <tr> <td>(4) The sub-committee to identify 'Productivity Month (5S Month)' and place advertorials in newspapers (SP 3.1.1) [NPA]</td><td>↔</td><td></td><td></td></tr> <tr> <td>(5) A national productivity campaign to be undertaken (SP 3.1.1) [NPA, MoLSSS, MoIED, MoDP, FKE, COTU]</td><td>←</td><td></td><td>→</td></tr> <tr> <td>(6) Annual National Seminars during 'Productivity Month' to be conducted (SP 3.1.1) [NPA]</td><td>←</td><td></td><td>→</td></tr> <tr> <td>(7) An award to be provided for the best practices from the public and private sectors in the Annual National Seminar (SP 3.1.1) [NPA]</td><td>←</td><td></td><td>→</td></tr> <tr> <td>(8) Advertorials about the annual seminar and the award winner to be placed in newspapers, radio, and TV (SP 3.1.1) [NPA]</td><td>←</td><td></td><td>→</td></tr> </tbody> </table>				Work Items [Lead Institution]	Phase 1 2014-2017	Phase 2 2018-2022	Phase 3 2023-2030	(1) The National Committee on Productivity to be established and operationalised [MoLSSS, NPA]	←		→	(2) A sub-committee for the national productivity campaign under the National Productivity Committee to be set up and operationalised (SP 1.2.1) [MoLSSS, NPA]	←		→	(3) The National Productivity Policy to be launched under Sessional Paper No. 3 of 2013 [MoLSSS, NPA]	↔			(4) The sub-committee to identify 'Productivity Month (5S Month)' and place advertorials in newspapers (SP 3.1.1) [NPA]	↔			(5) A national productivity campaign to be undertaken (SP 3.1.1) [NPA, MoLSSS, MoIED, MoDP, FKE, COTU]	←		→	(6) Annual National Seminars during 'Productivity Month' to be conducted (SP 3.1.1) [NPA]	←		→	(7) An award to be provided for the best practices from the public and private sectors in the Annual National Seminar (SP 3.1.1) [NPA]	←		→	(8) Advertorials about the annual seminar and the award winner to be placed in newspapers, radio, and TV (SP 3.1.1) [NPA]	←		→
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<p>[Indicator] Sixty percent of the Kenyan population have heard or read about PI concepts and tools by year 2030.</p>																																							
<p>[Method of Verification] Survey reports</p>																																							
<p>[Note for Taking Actions]</p> <p>1) In order to support PAP No. 8, it is ideal to have a representative from the Council of Governors in the National Committee on Productivity.</p> <p>2) The above awards (7) in the Annual National Seminars are designed to honour the companies/agencies which demonstrated the best practices in PI in the particular year through the consultation services as outlined in PAPs No. 5 and 7. It is necessary to ensure that this award does not become a simple duplication of other similar awards presented by KIM, KNCPC, KAM, etc.</p>																																							
<p>[Projected Estimate in Phase 1] 68 million KSH</p>																																							

Project Name: Integrating the Productivity Concepts and Tools into the Education Curriculum																																																
<p>[Background]</p> <p>In order to enhance productivity concepts and tools throughout Kenya, equipping students with PI concepts and tools before their graduation is the most effective method. Changing emphasis from knowledge-based education (primary, secondary, youth polytechnics, and higher) to problem-solving or objective-based education will lead to an improvement in the productivity enhancement of human resources. In the current curriculum, basics in productivity concepts and tools have already been incorporated, particularly social science at primary school, business studies at secondary school, and the National Vocational Certificate Programme in TVETs. However, more concrete tools on productivity can be elaborated in the curriculum. We aim to have children become aware of simple concepts linked to productivity such as ‘punctuality’, ‘waste elimination’, ‘cleanness’, ‘teamwork’, and ‘leadership’ in their youth. Then, at the secondary and TVET level, it is recommended that more specific IP tools such as 5S and KAIZEN be taught. This is the best timing to implement this PAP as NPA can join in the curriculum revision process spearheaded by MoEST and KICD starting early 2014.</p>																																																
<p>[Objective]</p> <p>The students learn about productivity concepts and tools.</p>																																																
<p>[Implementing Agencies]</p> <p>KICD, MoEST, NPA, primary and secondary schools, youth polytechnics (TVETs)</p>																																																
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<p>[Indicator]</p> <p>New curriculum incorporating PI concepts and tools are rolled out nationally from Phase 2.</p>																																																
<p>[Method of Verification]</p> <p>Revised syllabus and textbooks</p>																																																
<p>[Note for Taking Actions]</p> <p>1) Since curriculum revision involves complicated processes, this PAP proposes that NPA join the curriculum revision process as one of the members related to the business sector rather than taking the initiative on its own.</p> <p>2) PI sensitization in other TVETs and higher education are aimed at through ToT provided to lecturers under PAP No. 3.</p>																																																
<p>[Projected Estimate in Phase 1] 39 million KSH</p>																																																

Project Name: Increasing the Number of PI Experts			
<p>[Background]</p> <p>In order to meet the great demand for PI from a wide sector of firms/agencies across the country, there is a need to rapidly train a critical mass of PI experts who offer training/consultation to firms and agencies. PCK has been providing training to TSPs as one of the activities specified in its performance contract. This JICA Project supported its efforts through establishing more systematic approaches to the leading TSP institutions which have trainers/consultants on PI through provision of concrete training modules on 5S, KAIZEN, and the Toyota Production System (TPS). However, this effort to develop PI experts has to be expanded to not only training by PCK/NPA by itself but also by TSPs. In addition, it is also necessary to train middle managers and workers for acquiring practical skills in PI.</p>			
<p>[Objective]</p> <p>The critical mass of PI experts is trained at TSPs and firms/agencies.</p>			
<p>[Implementing Agencies]</p> <p>NPA, MoIED, FKE, TSPs</p>			
[Scope of Work]			
Work Items [Lead Institution]	Phase 1 2014-2017	Phase 2 2018-2022	Phase 3 2023-2030
(1) To conduct training of trainers (ToT) for consultants/trainers (SP 4.1.1)			
i. To develop and revise ToT modules and training materials targeting consultants/trainers (SP 4.1.1) [NPA]	↔	↔	↔
ii. To develop strategies for selecting consultants/trainers for the training (SP 4.1.1) [NPA]	↔	↔	↔
iii. To undertake training in PI tools (SP 4.1.1) [NPA]	←→	←→	←→
iv. To improve the training programme based on feedback (SP 4.1.1) [NPA]	←→	←→	←→
v. To maintain a TSP database of PI consultants/trainers while monitoring their actual implementation and performance [NPA]	←→	←→	←→
vi. To establish a certification system for consultants/trainers [NPA]	←→	←→	←→
(2) To conduct training for middle managers and employees (SP 4.1.1)			
i. To determine and review fees for the training of middle managers and employees (SP 4.1.1) [NPA]	↔	↔	↔
ii. To develop training plans in the counties (SP 4.1.1, PAP No. 8) [NPA, MoIED]	←→	←→	←→
iii. To develop and modify training modules and materials targeting middle managers and employees (SP 4.1.1) [NPA]	↔	↔	↔
iv. To advertise in newspapers for training applications (SP 4.1.1) [NPA]	←→	←→	←→
v. To undertake training in PI tools (SP 4.1.1) [NPA, TSPs]	←→	←→	←→
vi. To have consultation with trained middle managers and employees for advice (SP 4.1.1) [NPA]	←→	←→	←→
[Indicator] 10 ToT sessions per year / 100 training programmes on PI			
[Method of Verification] NPA collects the implementation data provided by the authorised trainers.			
<p>[Note for Taking Actions]</p> <p>In addition to the current programmes, ToT on other PI tools, such as ‘problem-solving/quality control tools’ and ‘total productive maintenance’, should be developed. After developing these programmes, a certification system for consultants/trainers should be designed (Work Item (1)).</p>			
[Projected Estimate in Phase 1] 67 million KSH			

Project Name: Developing Materials for PI Best Practices and PI Tools			
<p>[Background]</p> <p>Productivity concepts and methods are not yet well acknowledged throughout Kenya. In order to create a productivity culture, one of the pillars in the National Productivity Policy, it is important to develop materials for best practices and tools for PI so as to promote the awareness of the people, as well as guiding a practical approach to implementing productivity improvement activities.</p>			
<p>[Objective]</p> <p>Materials on PI best practices and PI tools are developed.</p>			
<p>[Implementing Agencies]</p> <p>NPA, MoLSSS, companies, FKE, COTU, universities, research institutions</p>			
[Scope of Work]			
Work Items [Lead Institution]	Phase 1 2014-2017	Phase 2 2018-2022	Phase 3 2023-2030
(1) To develop materials for PI best practices (SP 3.1.1) [NPA]	←→	←→	←→
(2) To develop and revise the materials for PI tools and an abridged guidebook (SP 3.1.1) [NPA]	←→	←→	←→
(3) To publicise the PI materials and distribute them through seminars and training sessions (SP 3.1.1) [NPA]	←→	←→	←→
(4) To establish the home page of NPA, and upload the materials for PI best practice and PI tools (SP 3.1.1) [NPA]	←→	←→	←→
(5) To list the contacts of key partners on the home page (SP 3.1.1) [NPA]	←→	←→	←→
(6) To upload key 'Productivity Statistics' to the home page (SP 3.1.1) [NPA]	←→	←→	←→
<p>[Indicators]</p> <p>150 PI best practices by 2030, 15 PI tool materials by 2030 1,000 downloads of PI materials/tools per year by 2023</p>			
<p>[Methods of Verification]</p> <p>Record of NPA activity, home page contents, and internet access record</p>			
<p>[Note for Taking Actions]</p> <p>1) The materials for PI best practices are expected to be a two- or three-page summary of the case of companies/organisations, so that it can be easily uploaded on the home page. In addition, the development of visual materials for PI best practices (for example, a short movie of PI best practice), which can give a greater visual impact, should be considered (Work Item (1)).</p> <p>2) Development of materials for PI tools should be simultaneously conducted with the development of a training programme on PI tools (PAP 3) (Work Item (2)).</p>			
[Projected Estimate in Phase 1] 50 million KSH			

Project Name: Enhancing Consultation Services on PI at the Firm Level																																			
<p>[Background]</p> <p>This PAP supports a flagship project on productivity improvement targeted at SMEs in the Second MTP of Vision 2030 (2013-2017). Since Kenya is already integrated into the global economy, it is essential that each firm utilise PI tools in order to gain competitiveness. Although many large-scale firms have started to utilise PI tools, dissemination to SMEs is very limited. In order to enhance PI in firms, consultation service should be rendered so that PI tools are applied effectively. PCK has a mandate to provide consultation services to firms so that they can become models of practicing PI tools. In order to increase the number of beneficiaries, more consultants with practical capacity should be trained. In addition, the target is a wider reach to beneficiaries through creating strategic partnership with TSPs, which benefit from ToT programmes as outlined in PAP No. 3.</p>																																			
<p>[Objective]</p> <p>PI tools are widely applied to firms in Kenya.</p>																																			
<p>[Implementing Agencies]</p> <p>NPA, MoIED, MSEA, FKE, KEPSA, KNCCI, KIBT, KNCPC, TSPs</p>																																			
<p>[Scope of Work]</p> <table border="1"> <thead> <tr> <th>Work Items [Lead Institution]</th><th>Phase 1 2014-2017</th><th>Phase 2 2018-2022</th><th>Phase 3 2023-2030</th></tr> </thead> <tbody> <tr> <td>(1) To set up and operationalise a taskforce for identifying a strategy and a plan for PI at the firm level (fees, dissemination to counties, strategic partners, etc.) (SP 1.2, SP4.1) [NPA, MoIED, MSEA]</td><td>↔</td><td>↔</td><td>↔</td></tr> <tr> <td>(2) The taskforce to set a subsidising scheme on PI consultation for SMEs [NPA, MoIED, MSEA]</td><td>←</td><td></td><td>→</td></tr> <tr> <td>(3) The taskforce to assist in creating partnerships with TSPs in implementing consultation (SP 4.1) [NPA MoIED, MSEA]</td><td>↔</td><td>↔</td><td>↔</td></tr> <tr> <td>(4) To conduct ToT (PAP No. 3)</td><td>←</td><td></td><td>→</td></tr> <tr> <td>(5) To conduct consultation at firms (SP4.1) [NPA, TSPs] 5S & KAIZEN based on the Toyota Production System, etc.</td><td>←</td><td></td><td>→</td></tr> <tr> <td>(6) To develop indicators for monitoring the performance of the firms on productivity improvement [NPA, TSPs]</td><td>↔</td><td>↔</td><td>↔</td></tr> <tr> <td>(7) To implement periodical monitoring of the results of consultation (SP4.1) [NPA]</td><td>←</td><td></td><td>→</td></tr> </tbody> </table>				Work Items [Lead Institution]	Phase 1 2014-2017	Phase 2 2018-2022	Phase 3 2023-2030	(1) To set up and operationalise a taskforce for identifying a strategy and a plan for PI at the firm level (fees, dissemination to counties, strategic partners, etc.) (SP 1.2, SP4.1) [NPA, MoIED, MSEA]	↔	↔	↔	(2) The taskforce to set a subsidising scheme on PI consultation for SMEs [NPA, MoIED, MSEA]	←		→	(3) The taskforce to assist in creating partnerships with TSPs in implementing consultation (SP 4.1) [NPA MoIED, MSEA]	↔	↔	↔	(4) To conduct ToT (PAP No. 3)	←		→	(5) To conduct consultation at firms (SP4.1) [NPA, TSPs] 5S & KAIZEN based on the Toyota Production System, etc.	←		→	(6) To develop indicators for monitoring the performance of the firms on productivity improvement [NPA, TSPs]	↔	↔	↔	(7) To implement periodical monitoring of the results of consultation (SP4.1) [NPA]	←		→
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<p>[Indicator]</p> <p>Consultation is implemented for 100 firms/agencies per year by all TSPs including NPA.</p>																																			
<p>[Method of Verification]</p> <p>NPA collects implementation data provided from the certified TSPs.</p>																																			
<p>[Note for Taking Actions]</p> <p>1) It is necessary to design the implementation of this PA in a way that public TSPs do not deprive private consultants on PI of market opportunities through targeting SMEs and setting the right price with subsidies for SMEs (Work Item (2)).</p> <p>2) In order to render consultation services to the MSEs in the counties far from the Nairobi area, special financial assistance from the Government or the counties should be provided.</p>																																			
[Projected Estimate in Phase 1] 82 million KSH																																			

Project Name: Providing Packaged PI Managerial Training/Guidance to MSEs				
<p>[Background]</p> <p>This PAP supports a flagship project on PI targeted at MSEs in the Second MTP of Vision 2030 (2013-2017). MSEs are the major source of job offers in Kenya. Yet, most of their business is not competitive enough to sustain the livelihoods of the workers engaged in MSEs. This is because the majority of owners of MSEs do not have both a right vision/business plan and basic managerial knowledge including application of PI in their work processes. In the JICA Project for the Second Phase of Trade Training for SME Exporters (2010-2012), KIBT started to offer packaged training/guidance services targeting owners/managers who are decision makers of their firm's operation. The package includes entrepreneurship, marketing planning, PI, and accounting training sessions in the classroom as well as on-the-floor guidance at the workplace of each trainee. Through experimentations in various countries, this packaged training/consultation course was scientifically proven effective in assisting growth and PI of SMEs. In addition, ILO supported MSEA in providing 2,000 participants across the country with Start Your Business (SYB) and Improve Your Business (IYB) training in 2011/12 and 2012/13. Adding the PI component and on-the-floor guidance to SYB and IYB will concretise the whole package proposed in this PAP. Under partnership with MSEA, KIBT, KEPISA, KIM, and other strategic TSP institutions, this PAP aims to establish a system which improves accessibility of MSEs to training/consultation on PI.</p>				
<p>[Objective]</p> <p>The owners of MSEs are equipped with basic managerial knowledge for growing their business.</p>				
[Implementing Agencies] MSEA, KIBT, NPA, MoIED, FKE, KEPISA, KNCCI, KIM, TSPs				
[Scope of Work]				
Work Items [Lead Institution]		Phase 1 2014-2017	Phase 2 2018-2022	Phase 3 2023-2030
(1) To set up and operationalise a taskforce for identifying a strategy and a plan for PI for MSEs (dissemination to counties, strategic partners, fees, etc.) (SP 1.2) [MSEA, MoIED, KIBT, NPA]		↔	↔	↔
(2) For new TSPs to learn the training/guidance module while attending the training/guidance services conducted by trained KIBT officers [KIBT]		←		→
(3) The trained TSPs to implement training/guidance service and KIBT trainers to monitor the TSPs' performance and provide advice [KIBT]		←		→
(4) To conduct packaged PI managerial training/guidance for MSEs (preparation and management to be undertaken by the field officers of MSEA) [MSEA, MoIED, KIBT, TSP]		←		→
(5) To monitor progress and provide support for implementation (SP4.1) [MSEA, MoIED, NPA, KIBT]		←		→
[Indicator] Implementation of the packaged training services to 1,000 MSEs per year by the trained TSPs.				
[Method of Verification] MSEA and NPA collect the implementation data provided by the TSPs.				
<p>[Note for Taking Actions] 1) This PAP specifically targets owner-managers of MSEs since they have the power to quickly put what they learn into action. 2) This packaged training/guidance is originally designed for a cluster (geographical concentration of a specific sector) so that it is easier to go around the trainees' workplaces for guidance and to share problems observed among the trainees' workplaces in the classroom. 3) ToT is provided through training (Work Item (2)) and experience as a trainer (Work Item (3)). 4) Willing firms can join PAP No. 5 after successful completion of the training/guidance in this PAP.</p>				
[Projected Estimate in Phase 1] 53 million KSH				

Project Name: Enhancing Training and Consultation Services on PI to the Public Sector			
<p>[Background]</p> <p>PI in the public sector is a critical issue because the public sector occupies a large share of the GDP and employment absorption in Kenya. In addition, the public sector plays a facilitator role in the enhancement of economic growth. Taking the example of Malaysia, both 5S & KAIZEN and ISO 9001 have been introduced into the public sector and they have contributed to improving the service quality of the public sector. The implementation of 5S & KAIZEN actually realises a good working environment, eliminates all waste at offices, and improves service delivery to the citizens. Currently, all public agencies are mandated to implement ISO 9001 under their performance contracts in Kenya. ISO is a tool to ensure quality standards, which meet the needs of customers with a proper authorisation process, but ISO alone does not necessarily ensure productivity improvement of the work process without implementation of 5S. The implementation of 5S & KAIZEN, in addition to ISO 9001, will further enhance the efficiency of the public sector and improve citizen satisfaction. NPA needs to develop various successful cases of PI application in the public sector through consultation services. Real successful cases would help encourage top government officials buy into the PI concepts and tools.</p>			
<p>[Objective]</p> <p>The public sector adopts PI tools (5S & KAIZEN).</p>			
<p>[Implementing Agencies]</p> <p>MoDP, NPA, KSG, TSPs</p>			
[Scope of Work]			
Work Items [Lead Institution]	Phase 1 2014-2017	Phase 2 2018-2022	Phase 3 2023-2030
(1) To set up and operationalise a sub-committee on mainstreaming PI practices in the public sector (SP 1.2.1) [NPA]	↔	↔	↔
(2) To sensitise the county governors/ministers towards productivity concepts (SP 3.1.3) [NPA, MoDP]	↔	↔	↔
(3) A taskforce for implementing PI to be set up and operationalised in each county [NPA, MoDP]	←		→
(4) To hold a facilitators' workshop among key government institutions to discuss methods of introducing PI (5S and KAIZEN) practices in the government (SP 3.1.3) [NPA]	↔	↔	↔
(5) To include implementation of PI practice (5S and KAIZEN) in performance contracts (SP 3.1.3) [MoDP]	←		→
(6) To provide ToT to KSG [NPA, KSG]	↔	↔	↔
(7) To organise PI (5S and KAIZEN) training sessions for assigned officers (PAP No. 3) [NPA, KSG]	←		→
(8) To provide assistance to ministries/counties with applying PI practices (PAP No. 8) [NPA]	←		→
(9) To award the best ministerial/public agencies on being the best showcase for PI (5S and KAIZEN) practice at the Annual National Seminar (PAP No. 1) [NPA]	←		→
(10) To publicise the best PI (5S and KAIZEN) practice of the Government in the media (PAP No. 1) [NPA]	←		→
[Indicator] PI is practised based on the performance contract.			
[Method of Verification] Performance contract reports			
[Note for Taking Actions]			
MoDP can utilise the 5S assessment score developed in PAP No. 9 (3) for evaluation in the performance contract.			
[Projected Estimate in Phase 1] 32 million KSH			

Project Name: Increasing the Country's Productivity Levels and Competitiveness			
<p>[Background]</p> <p>This PAP accords with the flagship project specified in the Second MTP of Vision 2030 (2013-2017). The Constitution of Kenya 2010 introduced devolution of the government. In order to minimise the social and economic gap throughout the counties, a special project is needed to pay more attention to increasing productivity and competitiveness in the counties. This PAP includes cross-cutting activities introduced in other PAPs. It is a challenge for the National Government to provide sufficient support to the large number of counties, i.e., 47. A strong initiative from county government is necessary in order to actualise PI at the county level. A new monitoring framework is necessary to observe the progress of PI at the county level.</p>			
[Objective] Productivity in the counties is improved.			
[Implementing Agencies] NPA, MoDP, MoIED, KIBT, KSG, TSPs			
[Scope of Work]			
Work Items [Lead Institution]	Phase 1 2014-2017	Phase 2 2018-2022	Phase 3 2023-2030
(1) Strategies for raising awareness and implementing PI in the counties to be discussed in the following sub-committees/taskforces - sub-committee on the national productivity campaign (PAP No. 1) - taskforce for consultation services at firms (PAP No. 5) - taskforce for implementing packaged PI training/guidance for MSEs (PAP No. 6) - sub-committee on mainstreaming PI practices in the public sector (PAP No. 7)	←		→
(2) To build a monitoring framework and observe implementation of PI at the county level [MoDP, MoLSSS, NPA]	←		→
(3) To prepare an abridged guidebook for disseminating PI concepts and tools (PAP No. 4) [NPA]	↔		
(4) To train development officers for sensitisation in the counties [NPA, KIBT, MoDP]	↔		
(5) To sensitise county governors/ministers relevant stakeholders on productivity concepts (PAP No.1, PAP No.2, PAP No. 7) [NPA, MoDP]	←	→	
(6) A taskforce for implementing PI to be set up and operationalised in each county and to identify TSPs in each county [NPA, MoDP]	←		→
(7) ToT to be conducted for identified TSPs (PAP No. 3) [NPA, certified TSPs]	←		→
(8) Consultation at model firms in the counties to be conducted with the initiatives of the taskforce in each county and identified TSPs (PAP No. 5) [Taskforces and TSPs in each county]	←		→
(9) Packaged IP training/guidance service to be provided to MSEs in the counties [KIBT and TSPs in each county]	←		→
(10) The best performer in PI to be selected in each county [Taskforces in each county]	←		→
(11) To award the best PI practice award selected among the counties at the National Productivity Seminar (PAP No. 1) [NPA]	←		→
[Indicators] No. of counties that received PI awareness seminars; No. of firms that received PI consultation services in each county; No. of MSEs that received packaged PI training/guidance services in each county			
[Method of Verification] Report from NPA to the Vision 2030 Delivery Secretariat			
[Note for Taking Actions] It is recommend that model cases be firstly developed with a few selected counties so that other counties can see the benefits and become willing to join this PAP.			
[Projected Estimate in Phase 1] 323 million KSH			

Project Name: Implementing 5S Sensitisation																																																																												
<p>[Background]</p> <p>5S is the basis of every PI activity at a workshop. It enables a company or any organisation to visualise waste, improve the mindset of the workers involved, and induce further PI activities. 5S adoption lays the foundation of productivity improvement and a holistic approach to long-term success, aiming at the radical transformation of both the public and private sectors. 5S sensitisation with a national-level campaign will be the prime mover to have a quantum-leap impact on productivity in Kenya. 5S Certification, the system of recognising organisations which implement 5S to a successful level, will be one of the strategic tools during this sensitisation. Awarding the champion among 5S-certified organisations through the National Convention would encourage more organisations in the public and private sectors to launch 5S activities.</p>																																																																												
<p>[Objective]</p> <p>5S is widely adopted by firms / agencies.</p>																																																																												
<p>[Implementing Agencies]</p> <p>NPA, MoLSSS, FKE, TSPs, KEBS, media</p>																																																																												
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<p>[Indicator]</p> <p>600 firms/agencies have received 5S Certification by 2022.</p>																																																																												
<p>[Method of Verification]</p> <p>Registration record of 5S-certified countries/organisations</p>																																																																												
<p>[Note for Taking Actions]</p> <p>Promotion of 5S Certification in the public sector can be done through PAP No.7.</p>																																																																												
<p>[Projected Estimate in Phase 1] 33 million KSH</p>																																																																												

Project Name: Improving the Supply and Use of 'Productivity Statistics'			
<p>[Background]</p> <p>PCK annually publishes 'Productivity Statistics', which is intended to be used as a reference for formulating policy and determining wage levels. However, contents and use of 'Productivity Statistics' have to be improved at various levels starting from improvement of raw data, analysis, presentation, and use. Firstly, in the raw data, accuracy and classification of data by KNBS have to be improved. Secondly, at the analysis and presentation level, for which NPA has the main responsibility, this JICA Project has provided direct assistance for improvement, but efforts towards improvement have to be continued. Finally, in widening the use of 'Productivity Statistics', accessibility to the 'Productivity Statistics' has to become easier through enabling the paper to be downloaded from the home page of NPA. In particular, use of 'Productivity Statistics' is expected to improve labour-management relations. Sharing the productivity concept based on its guiding principles (expansion of employment, labour-management cooperation, and fair distribution of productivity gains) guided by reliable 'Productivity Statistics' will help to create sound labour-management relations.</p>			
<p>[Objective]</p> <p>Reliable 'Productivity Statistics' are reported and used by a wide range of stakeholders</p>			
<p>[Implementing Agencies]</p> <p>NPA, KNBS, MoLSSS, KRA, KIPRA, FKE, COTU, academic experts</p>			
[Scope of Work]			
Work Items [Lead Institution]	Phase 1 2014-2017	Phase 2 2018-2022	Phase 3 2023-2030
(1) To improve the supply of 'Productivity Statistics' (SP 5.1)			
i. To set up and operationalise a taskforce to periodically review and revise the design of 'Productivity Statistics' [NPA, KNBS]	←→		→
ii. KNBS to collaborate with KRA to improve the raw data on output and input as well as sub-sectoral coding (Harmonising the ISIC version is necessary.) [KNBS]	←→		
iii. NPA to undertake analysis of 'Productivity Statistics' [NPA]	←→		→
iv. To hold the workshop with stakeholders, in order to improve the contents of 'Productivity Statistics' [NPA]	←→		→
v. To upload an annual report on 'Productivity Statistics' on NPA's home page [NPA]	←→		→
(2) To improve use of 'Productivity Statistics' in labour-management relations (SP 5.2.2)			
i. To sensitise the members of FKE and COTU towards the productivity concept and use of 'Productivity Statistics' [NPA]	←→		→
ii. To provide training to the members of FKE and COTU on analysing productivity improvement at the firm level and utilising it for wage negotiation [NPA]	←→		→
<p>[Indicators]</p> <p>'Productivity Statistics' of international standards are published annually. Use of 'Productivity Statistics' is mainstreamed by 60% of trade unions by 2030.</p>			
<p>[Method of Verification]</p> <p>Record of NPA activity, questionnaire to trade unions</p>			
<p>[Note for Taking Actions] Involvement of practical academic experts in the taskforce can enhance the quality of statistics. They can also contribute to enlarging the coverage of productivity indices analysis (Work Item (1)).</p>			
[Projected Estimate in Phase 1] 30 million KSH			

PAP No.1: Implementing National Productivity Campaigns

Launching the Productivity Policy (1 time)	10,000
Advertorial of Productivity Month (4 years)	8,000
National Seminar venue (4 locations per year x 4 years)	14,400
Trips & accommodation for the travel of organisers (4 locations per year x 4 years)	1,704
Awards at the National Seminars (4 years)	2,000
Advertorial of the National Seminars (4 years)	16,000
Miscellaneous and other media (4 years)	16,000
Total	68,104

PAP No.2: Integrating the Productivity Concepts and Tools into the Education Curriculum

Developing PI tool textbooks (4 years)	13,800
Developing PI promotion textbooks (4 years)	8,600
Sensitisation Workshop (1 workshop x 12 counties x 4 year)	9,600
Trips & accommodation for the travel of organisers (9 trips x 4 years)	2,352
ToT in Nairobi: (6 programmes x 20 persons per class in 2017)	2,400
ToT outside Nairobi: (4 programmes x 20 persons per class in 2017)	2,240
Total	38,992

PAP No.3: Increasing the Number of PI Experts

ToT in Nairobi: (6 programmes per year x 20 persons per programme x 4 years)	4,560
ToT outside Nairobi: (4 programmes per year x 20 persons per programme x 4 years)	7,200
Developing materials and certification system for ToT	2,520
Training for middle managers and employees in Nairobi: (60 programmes by NPA and TSPs per year x 20 persons per programmes x 4 years)	24,000
Training for middle managers and employees outside Nairobi: (40 programs by NPA and TSPs per year x 20 persons per program x 4 years)	27,200
Developing materials and certification system for training managers/experts	1,200
Total	66,680

PAP No.4: Developing the Materials for PI Best Practices and PI Tools

Developing PI best practices (books and DVDs) (4 years)	17,600
Developing PI tool materials (4 years)	13,800
Developing PI promotion materials (4 years)	8,600
Making and maintaining the home page (4 years)	10,400
Total	50,400

PAP No.5: Enhancing Consultation Services on PI at the Firm Level

Salaries of the private experts for consultation in Nairobi (50 companies per year x 6 visits per companies x 50% x 4 years; assuming 50% of the experts are from the private sector)	27,000
Salaries of the private experts for consultation outside Nairobi (50 companies per year x 6 visits per companies x 50% x 4 years; assuming 50% of the experts are from the private sector)	27,000
Trips & accommodation for consultation outside Nairobi (50 companies per year x 6 visits per companies x 4 years)	27,000
Equipment	1,200
Total	82,200

PAP No.6: Providing Packaged PI Managerial Training/Guidance to MSEs

Stationary for ToT (20 trainees x 4 years)	320
Travel and accommodation allowance of trainers (10 trainees x 4 years)	4,200
Venue (1 programmess x 12 counties x 4 years)	7,200
Stationary (42 MSEs x 1 programmes x 12 counties x 4 years)	4,000
Travel and accommodation allowance of trainers	22,080
Salaries of the private trainers (180 days x 3 experts x 4 years; assuming 50% of the trainers are from the private sector and 10 man-days x 4 years x ToT)	15,600
Total	53,400

PAP No.7: Enhancing Training and Consultation Services on PI to the Public Sector

Stationary and copies for workshops: (10 counties x 50 officers per county x 2 courses x 5 days/course x 4 years; cost for venues excluded)	200
Travel and accommodation for the trainers	13,440
Promotion, award, and advertorial (4 years)	18,000
Total	31,640

PAP No.8: Increasing the Counties' Productivity Levels and Competitiveness

PAP No.1	68,104
PAP No.2 (Sensitisation Workshop including travelling and accommodation)	9,600
PAP No.2 (ToT outside Nairobi)	8,960
PAP No.3 (Held outside Nairobi)	52,400
PAP No. 4 (Developing PI promotion materials)	8,600
PAP No.5 (Consultation to companies outside Nairobi)	72,000
PAP No.6	71,600
PAP No.7	31,640
Total	322,904

PAP No.9: Implementing 5S Sensitisation

Holding 5S committees (4 years)	11,200
Implementing 5S audits (4 years)	7,000
Holding 5S conventions (4 years)	10,400
ToT on 5S audits	1,680
Training programmes on 5S	2,360
Total	32,640

PAP No.10: Improving the Supply and Use of 'Productivity Statistics'

Holding the workshops with stakeholders and research group (4 years)	4,000
Publishing 'Productivity Statistics' and other materials (4 years)	8,000
Making and maintaining the home page (PAP No.3)	10,400
Procurement of private experts for researching productivity status (4 years)	8,000
Total	30,400

Note 1: If the PAP number is indicated in parentheses in the above breakdown, the estimate in the row has some overlaps with other PAPs.

Note 2: Recurrent expenditure of the governmental agencies is not included in the estimates.

2. Recommendation

To realise Vision 2030, productivity improvement concepts and tools must be practised nationwide. Kenya is among a few African countries in which productivity tools have already been adopted by leading private firms. While there is a clear market for productivity improvement intervention, its outreach is currently very limited since only a few institutions can afford to access the information and technology of the productivity tools. The National Productivity Policy aims to change this situation so that productivity concepts and tools can be embraced by general citizens and institutions.⁵⁶ This Project aimed to assist the smooth adoption of the policy and capacity building of PCK so that PCK can undertake this important task for the country.

Based on the results of this Project, the JICA Project Team recommends further implementation of productivity improvement activities in Kenya as outlined below.

2.1 Enactment of the National Productivity Authority Bill and Establishment of the National Committee on Productivity

Nationwide adoption of productivity concepts and tools require strong organisation and absolute leadership since productivity improvement is a cross-cutting agenda item and involves coordination among various stakeholders spread across the sectors. Taking the example in Ethiopia, dissemination of KAIZEN based productivity improvement tools is spearheaded by the initiative of the Prime Minister. With his leadership, the Ethiopian KAIZEN Institute (EKI) has rapidly enhanced its organisational capacity with 77 staff and 13 directorates in only four years since initiation of JICA technical cooperation on KAIZEN. EKI has become a focal point for productivity improvement in Ethiopia through consultation and training on KAIZEN.

In order to enhance productivity and competitiveness in Kenya, the Government of Kenya is requested to facilitate quick reading and enactment of the National Productivity Authority Bill, which authorises the transformation of PCK into NPA. In addition, the National Committee on Productivity should be established with representatives from related ministries, industries, trade unions, and professionals. It is recommended that the Committee be chaired by the highest level of government and strategies for the countrywide enhancement of productivity improvement be discussed.

2.2 Increasing the Number of PCK Staff to Meet the Growing Needs of Stakeholders

Productivity improvement is the priority agenda item for realising Vision 2030. During the Project period, it is noticed that the expected tasks of PCK are increasing from its current duties, which focus on

⁵⁶ A senior officer of MoL (currently transferred to MSEA) remarked that 'productivity has to become *bread* to be eaten by *wananchi* daily instead of *cake* to be eaten by a few rich people on special occasions'.

productivity promotion & implementation in the private sector and productivity measurement to new duties such as productivity enhancement in the ministries as well as productivity measurement in the public sector.

Moreover, the pilot activities of this Project, such as consultation on KAIZEN, ToT for TSPs, productivity measurement, and 5S sensitisation, have surely created new needs of various stakeholders.

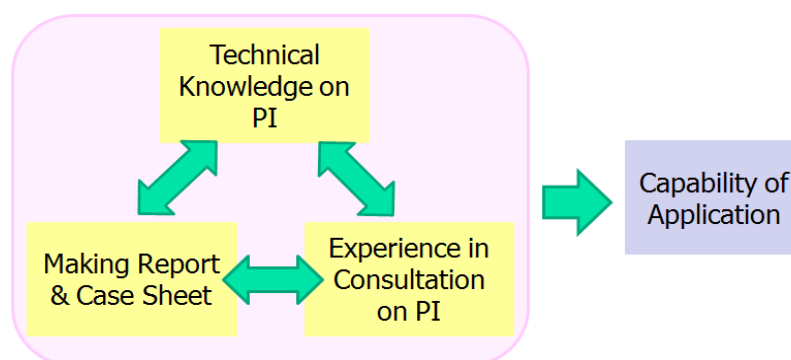
In order to meet these expectations and sustain the results of the Project, the number of PCK technical staff has to be enlarged very urgently without waiting for enactment of the National Productivity Authority Bill.

2.3 Continuation of the Capacity Development of Technical Officers of PCK

The technical officers in PCK who have been trained in this Project as consultants on productivity improvement remain four persons, due to delay in recruitment. Because these technical officers have various assignments apart from consultation on productivity improvement, the number of counterparts assigned per pilot company was lower than planned. However, these four technical officers have become capable of training new staff in the area of productivity improvement. After the Project, they are expected to develop the capacity of new staff.

In terms of capacity development of consultants on productivity improvement, the core capacity which was developed in this Project is the capability of applying 5S and KAIZEN methods to actual factories or offices. Based on the technical knowledge required for solving problems at the workplace, applicability is enriched through the experiences in pilot companies. Knowledge based on the experiences is confirmed by making a report and summarising good practices as case sheets. This cycle of capacity development of consultants should be maintained (Figure 4-2-1).

Figure 4-2-1: Capacity Development of Consultants



Source: JICA Project Team

2.4 Enhancement of the Network with Ministries and Social Partners

Figure 4-2-2 shows the network that has been developed through implementation of the Project. PCK and JICA Team met the key persons in various ministries and agencies in the Government and heard

their needs for the activities which PCK should implement in the process of drafting the National Productivity Policy, the Bill, PCK’s Strategic Plan, and the PAPs. The contents of the policy and the plans were improved and modified through the discussion with them. Through these exchanges, the importance of productivity improvement was commonly acknowledged and shared among those ministries/agencies.

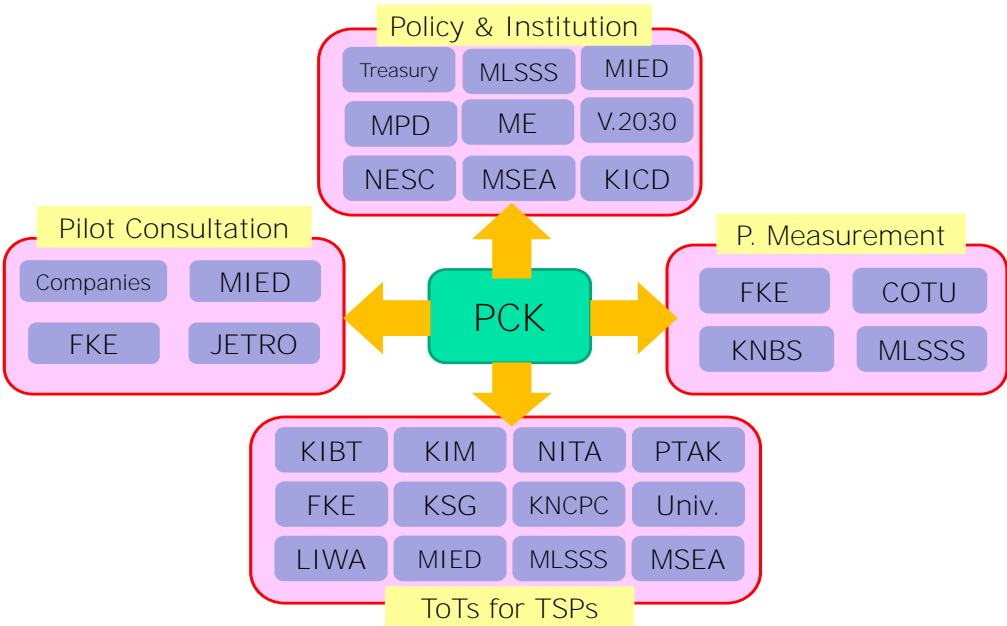
As for the activity related to productivity measurement, the contents of ‘Productivity Statistics’ were revised based on the result of the discussion at the workshop with the stakeholders. Based on the request from FKE and COTU at the workshop, PCK conducted sensatisation programmes on productivity indices for the both organisations.

In terms of the ToTs for TSPs, PCK trained the trainers and consultants who belonged to the selected TSPs for strategic partnership. It enhanced the relationship between PCK and the TSPs. Some of the TSPs, such as KIBT and PTAK, requested that PCK implement additional training, and PCK did actually implement it.

Finally, in regards to the pilot consultation, PCK selected the pilot companies from the lists provided by MoIED and FKE. Two Japanese related companies were selected based on the recommendation of the JETRO Nairobi Office. The results of the consultation were shared with these partners and they expressed interest in more consultation services.

Thus, the involvement of various agencies and social partners improves the quality of activities. In addition, the involvement of partners often guides PCK into new activities. It is important to maintain and enhance the network with ministries and social partners so as to implement the priority actions.

Figure 4-2-2: Network Developed in the Project



Source: JICA Project Team

2.5 Strengthening the Support System in the Counties

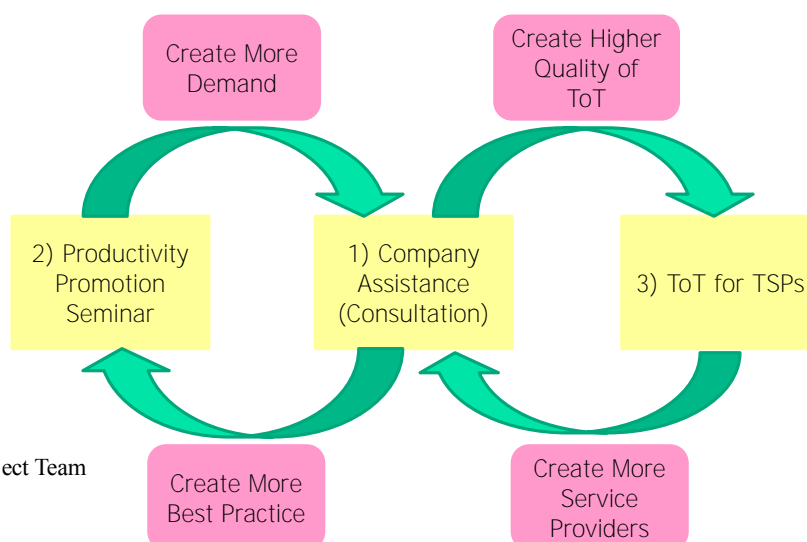
In four countries, namely Japan, Malaysia, Ethiopia, and Tanzania, there are permanent regional agencies supporting industry in the localities with properly staffed technical officers (see Section 3 of Part II). In contrast, the support system in the counties in Kenya currently seems fragmented. Although there are regional officers deployed by ministries and public agencies, each organisation does not have sufficient manpower to consistently support an entire county (see Part II 1.4 Governmental Structure for Productivity Improvement). To cover this situation, many programmes are extended to the counties from the national government, but this is costly and also unstable. In line with the flagship project of the Second MTP, the facilitation of productivity improvement in the counties is proposed in PAP No. 8. However, for effective implementation of PAP No. 8, it is suggested that the Government of Kenya undertake a study on designing a more integrated organisational structure to support the industries at the county level.

2.6 Standardisation of the Cycle of Company Assistance, Promotion Seminar and ToT

In order to enhance productivity improvement in Kenya, it is essential to create more successful cases of productivity improvement by 1) company assistance (consultation). With variety of many successful cases, the quality of 2) productivity promotion seminar is improved, which creates more demand for 1) company assistance. For consultants/ trainers, more experiences in 1) company assistance enhances their capacity, which improves the quality of 3) ToT for TSPs. Through implementing 3) ToT for TSPs, the suppliers of 1) company assistance are increased.

The cycle of 1) company assistance, 2) promotion seminar and 3) ToT for TSPs, which is developed in this Project, is shown in Figure 4-2-3. This cycle should be implemented and standardized after the Project.

Figure 4-2-3: Company Assistance, Promotion Seminar and ToT



Source: JICA Project Team

2.7 Enhancing the Training Programme for PI Experts

The consultants or trainers who receive training from PCK are important resources for disseminating productivity improvement nationwide. Therefore, as many TSPs as possible are expected to be developed through ToT by PCK. It is also important for PCK to develop a systematic framework and create a strong network with those trained. In addition, it is proposed that PCK utilise the TSP database, which is developed and improved in this Project.

PCK had already gained the capability to implement a training programme for productivity awareness before the Project⁵⁷. In this Project, two ToT programmes, which are more focused and regarded as advanced-level, were implemented as model. Based on the contents of PCK's current programmes and two model programmes, it is expected that PCK will develop training programmes that are suitable for the different levels of the PI experts, including consultants/trainers, middle managers, and employees, in implementing PAP No3.

2.8 Recommendation on Productivity Measurement

(1) Establishing and Maintaining the Cycle of Developing 'Productivity Statistics'

In this Project, pilot activities on productivity measurement were implemented. They were part of the PDCA (Plan-Do-Check-Act) cycle for developing 'Productivity Statistics' (Figure: 4-2-4). It is believed that the cycle can ensure continuous improvement of the quality of 'Productivity Statistics'. After the Project, PCK should improve and maintain the cycle. The cycle consists of the following activities:

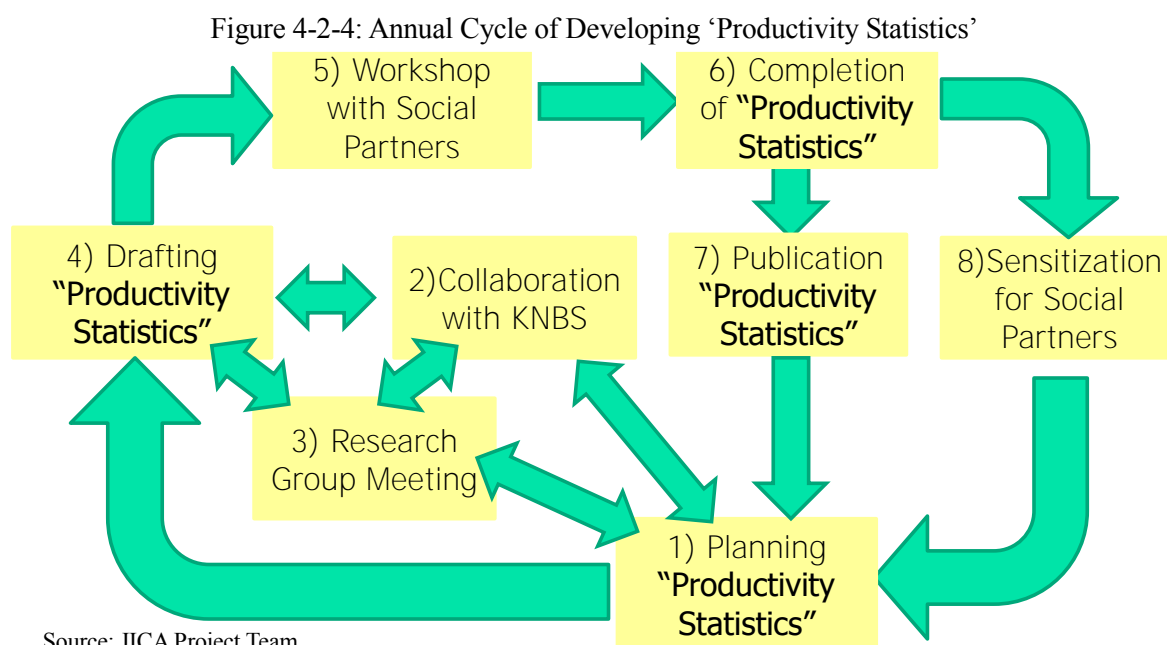
- 1) To make the basic plan of 'Productivity Statistics', based on the feedback from the activities in the previous year
- 2) To hold discussions with KNBS on improving provision of raw data and revising the basic plan
- 3) To hold the research group meeting to discuss improvement of 'Productivity Statistics', and revise the basic plan
- 4) To draft 'Productivity Statistics', based on the revised plan
- 5) To hold workshops with the key social partners (FKE, COTU, and KNBS) for improving the contents of 'Productivity Statistics' by incorporating the views and feedback of stakeholders
- 6) To complete 'Productivity Statistics'
- 7) To publish 'Productivity Statistics' through various media
- 8) To implement sensitisation programmes for the key social partners (FKE, COTU, etc.), in order to increase awareness of the usage of 'Productivity Statistics'

By implementing a cycle which encourages various stakeholders to participate in the process of

⁵⁷ Asian Productivity Organization and Japan Productivity Center have provided technical assistance, with the financial support from the government of Japan.

developing ‘Productivity Statistics’, the quality of ‘Productivity Statistics’ can be continuously improved and the understanding of stakeholders on productivity indices can be gradually deepened.

In order to sustain the cycle, needless to say, it is necessary for PCK to enhance the capacity of the staff in analysing and interpreting productivity indices appropriately and simply.



(2) Improving the Provision of Raw Data for Productivity Measurement

As described in ‘Part II. 1.7 Availability of Basic Data for Productivity Measurement’, there are currently some issues related to the provision of raw data for productivity measurement. In order for PCK to provide more accurate productivity indices, it is highly recommended that KNBS improve the data collection system: namely, more frequent provision of data (quarterly or half yearly, instead of annually), a more detailed breakdown across industrial sectors (into sub-sectors)/regions, and provision of accurate data on the formal sector.

KNBS’s plan to publish an Input-Output Table next year has been notified. If PCK becomes able to use it, it will help PCK improve the quality of ‘Productivity Statistics’.

2.9 5S Sensitisation – Strengthening the Partnership with TSPs

5S has been accepted as an entry point of all productivity improvement activities. In Malaysia, the implementation of productivity improvement activities was promoted by 5S sensitisation centring on 5S/QE Certification. As explained in ‘Part III. 4. Productivity Promotion Applicable to Kenya’, all of the 12 pilot companies in this Project started 5S activities and sustained it. Based on 5S, most of the pilot companies have implemented further productivity improvement activities.

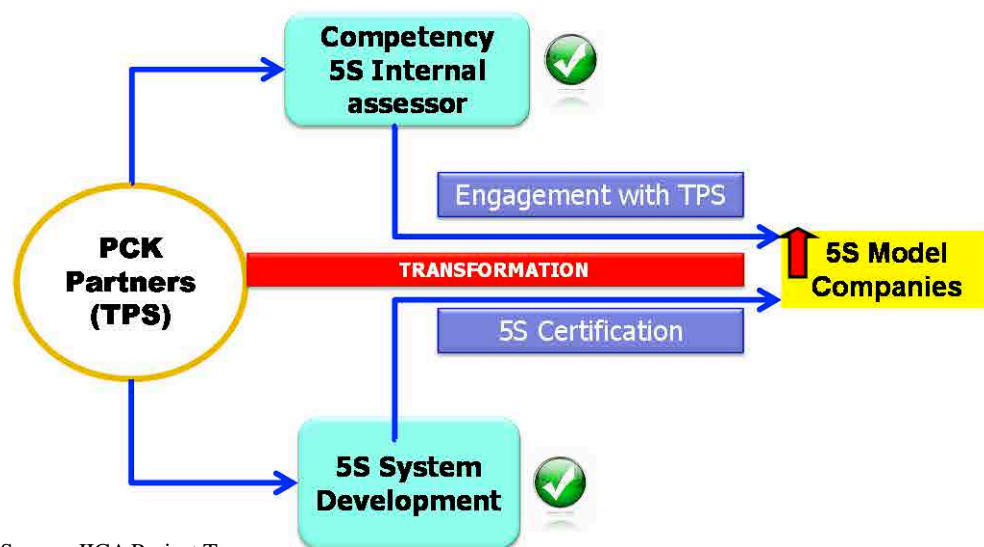
In addition, the results of the questionnaire study⁵⁸ showed that most of the companies and organisations, which were the current clients of PCK, had the intention to apply 5S Certification if it was established, since they thought that ‘5S Certification can motivate managers/workers to sustain PI activities’ and that ‘our reputation is improved by 5S Certification’.

It is recommended that 5S sensitisation be implemented in the strategy described in PAP No. 9. It consists four components, i.e., ‘National 5S Campaign’, ‘National 5S Collaboration’, ‘National 5S Champions’, ‘National 5S Convention & Certification’.

In the strategy, PCK first needs to formulate the partnership engagement with TPSs. One way is to keep enhancing the competency of TSPs by providing 5S internal assessor training. The other is to engage them in consultation activities. This partnership engagement will assist PCK in their attempt to increase the number of 5S model companies. It will enable PCK to propel itself into becoming a lead agency for productivity movements.

Based on these approaches, 5S assessment and 5S certification will build the foundations for a stronger and more inclusive 5S system in order to have a quantum leap impact on 5S activities.

Figure 4-2-5: PCK’s 5S Journey



Source: JICA Project Team

⁵⁸ It is shown in Appendix 13.

Appendix 1

Outline of Activities

[1st Study in Japan (25 March – 8 April 2012)]

- Study on the documents made by the Kenyan government, JICA, and other organizations on national development, industry and SMEs promotion in Kenya
- Study on the current condition of the Productivity Bill and transformation of PCK
- Making the draft of the Inception Report and submission to JICA. And its revision according to the comments from JICA.

[1st Study in Kenya (9 April – 8 August 2012)]

1. First Part (9 April – 29 April 2012)

(1) Members

Name of Experts	Field	Period
Takeshi FUJITA (Mr)	Chief/ Organizational Building	9 - 28 April 2012
Ayako ISHIWATA (Ms)	Policy and Institutions	9 - 29 April 2012
Dr. Sugumaran Muniretnam (Mr)	Productivity/Quality Improvement-2	9 - 29 April 2012
Go OHGA (Mr)	Project Coordinator/Training & Seminars	9 - 29 April 2012

(2) Items of activities

- Discussion of the Project implementation plan (Appendix 1) of the Inception Report and reaching a consensus at the 1st Joint Coordination Committee (JCC) (For details, see Appendix 2)
- Study on the needs of the main stakeholders (Appendix 3)
- Creation of the Plan of Operation (Appendix 4)
- Study on the current status of productivity policy, policy bill and budget for PCK
- Assistance for revising the Productivity Policy and drafting the Strategic Plan of PCK
- Study on the productivity promotion method applicable to Kenya
- Implementation of the necessary preparation for consultation for pilot companies/institutions, including technical transfer necessary for 5S internal assessment
- Identification of strategies to create networks between PCK and TSPs
- Advancement of the purchasing of necessary equipment

2. Second Part (25 June – 8 August 2012)

(1) Members

Name of Experts	Field	Period
Katsutoshi IKEDA (Mr)	Deputy Chief/ Productivity/Quality Improvement-1	25 June – 8 August 2012
Go OHGA (Mr)	Project Coordinator/Training & Seminars	25 June – 8 August 2012

(2) Items of activities

1. Policy/Institution Building

- Study on the progress of the Productivity Policy/Bill, and the plan to recruit new staff

2. Consultation for pilot companies/institutions

- Finalization of the criteria for the selection of pilot companies/ institutions for consultation
- Selection of pilot companies/ institutions for consultation
- Implementation of intensive classroom training for PCK C/Ps on KAIZEN theories and methods based on TPS
- Consultation of pilot companies for the 1st year (On the Job Training of PCK consultants)

[2nd Study in Japan (11-30 May 2012)]

- Creation of the report on the 1st Study in Kenya
- Follow up of the progress of the Productivity Policy/Bill, and prospects for recruiting new staff
- Follow up of making the shortlist of pilot companies/institutions for the 1st year
- Creation of the implementation plan (draft) of consultation for pilot companies/ institutions and ToT for TSPs
- Preparation of the 1st Study (2) in Kenya

[3rd Study in Japan (11-20 August 2012)]

- Making the report on the 1st Study in Kenya
- Making the draft of the Progress Report (1)
- Provision of the necessary guidance to PCK C/P consultants for the consultation visits conducted by the C/Ps themselves
- Follow up of the progress of the Productivity Policy/Bill, and prospects for recruiting new staff

[2nd Study in Kenya (20 October – 18 December 2012)]

(1) Members

Name of Experts	Field	Period
Takeshi FUJITA (Mr)	Chief/ Organizational Building	20 October - 3 December 2012
Katsutoshi IKEDA (Mr)	Deputy Chief/ Productivity/Quality Improvement-1	20 October - 18 December 2012
Ayako ISHIWATA (Ms)	Policy and Institutions	10 November - 2 December 2012
Yasuhiro KIUCHI (Mr)	Productivity Measurement	20 October - 3 November 2012
Go OHGA (Mr)	Project Coordinator/Training & Seminars	20 November - 18 December 2012

(2) Items of activities

1. Policy/Institution Building

- Assisting PCK for making the draft of Productivity Policy and Bill
- Assisting PCK for drafting Strategic Plan (2013-2017)
- Confirmation of current status of recruiting new staff of PCK
- Discussing with PCK on organizational structure and staff allocation for the future

2. Consultation for pilot companies/institutions

- Consultation of pilot companies for the 1st year (On the Job Training of PCK consultants)
- Preparation of selecting the pilot companies/organizations in the 2nd year (“Japanese related company” and “Service (Tourism)”)

3. Pilot ToTs for TSPs

- Selection of TSPs which will participate in our ToTs
- Visiting the TSPs and confirming their interest in the ToTs
- Making the plan of ToTs

4. Study on Productivity Indices

- Introduction of developing productivity indices in Japan (the example of JPC)
- Analysis on PCK’s current productivity indices and guidance for further improvements.
- Identification of the needs of major PCK stakeholders (FKE/COTU) for PCK’s productivity measurement activity.
- Visiting Kenya National Bureau of Statistics (KNBS) as the provider of raw data for productivity measurement and consider further cooperation between PCK and KNBS

5. Productivity Promotion Seminar

- Finalization of the date, venue and contents
- Specifying the sources from which PCK will invite to the seminar

[4th Study in Japan (27 October – 10 November 2012)]

- Planning of the Training Program in Japan
- Arranging the organizations and companies which the participants will visit
- Selection of the participants

[5th Study in Japan (19 December 2012 – 26 January 2013)]

- Making the draft of Progress Report-2.
- Reporting the progress of the Project to JICA Headquarter
- Implementing the Training Program in Japan (“Organizational Strategy for Productivity Institutions”)

[3rd Study in Kenya (26 January – 9 June 2013)]

1. First Part (26 January – 18 February 2013)

(1) Members

Name of Experts	Field	Period
Takeshi FUJITA (Mr)	Chief/ Organizational Building	26 January – 18 February 2013
Katsutoshi IKEDA (Mr)	Deputy Chief/ Productivity/Quality Improvement-1	26 January – 18 February 2013
Yasuhiro KIUCHI (Mr)	Productivity Measurement	26 January - 2 February 2013

(2) Items of activities

1. Policy/Institution Building

- Explaining the contents of the Progress Report (2)
- Assisting PCK for making the draft of Productivity Policy and Bill
- Studying and monitoring the status of recruitment of new staff in PCK

2. Consultation for pilot companies/institutions

- Consultation of pilot companies for the 1st year (On the Job Training of PCK consultants)
- Preparation of selecting the pilot companies/organizations in the 2nd year (“Japanese related company” and “Service (Tourism)”)

3. Pilot ToTs for TSPs

- Preparation of ToTs (1st ToT on KAIZEN Based on Toyota Production System)

4. Study on Productivity Indices

- Assisting the revision of “Productivity Statistics”
- Implementing the 1st Workshop on Productivity Indices with FKE, COTU, and MoLSSS.
- Revising the further activity plan on this study

5. Productivity Promotion Seminar

- Necessary preparation for the Seminar
- Implementing the Seminar on 13th February 2013

2. Second Part (7 April – 9 June 2013)

(1) Members

Name of Experts	Field	Period
Takeshi FUJITA (Mr)	Chief/ Organizational Building	25 May – 9 June 2013
Katsutoshi IKEDA (Mr)	Deputy Chief/ Productivity/Quality Improvement-1	7 April – 8 May 2013

(2) Items of activities

1. Policy/Institution Building

- Study the progress of the examination of the draft of Productivity Policy and Bill
- Studying and monitoring the status of recruitment of new staff in PCK
- Revising the implementation plan of the Project, according to the condition under the new government

2. Consultation for pilot companies/institutions

- Selecting the pilot companies/organizations in the 2nd year
- Training of PCK consultants (making the case sheet of the pilot companies for the 1st year)

3. Pilot ToTs for TSPs

- Preparation of ToTs (1st ToT on KAIZEN Based on Toyota Production System)

4. Preparing the Observation Mission to Malaysia

[6th Study in Japan (11-20 June 2013)]

- Making the draft of Interim Report.
- Planning of the third country observation mission
- Reporting the progress of the Project to JICA Headquarter

[4th Study in Kenya (7 June – 15 August 2013)]

(1) Members

Name of Experts	Field	Period
Takeshi FUJITA (Mr)	Chief/ Organizational Building	23 June – 10 August 2013
Katsutoshi IKEDA (Mr)	Deputy Chief/ Productivity/Quality Improvement-1	7 June – 15 August 2013
Yasuhiro KIUCHI (Mr)	Productivity Measurement	27 July – 3 August 2013
Go OHGA (Mr)	Project Coordinator/Training & Seminars	25 June – 11 August 2013

(2) Items of activities

1. Policy/Institution Building

- Studying on the progress of Second Medium-Term Plan of Vision 2030.
- Studying the progress of the examination of the draft of Productivity Policy and Bill
- Studying and monitoring the status of recruitment of new staff in PCK
- Assisting for making the Proposal for Key Issues For Implementation to MoLSSS

2. Consultation for pilot companies/institutions

- Consultation of pilot companies for the 2nd year (On the Job Training of PCK consultants)
- Follow-up of the consultation for pilot companies for the 1st year.

3. Pilot ToTs for TSPs

- Implementation of ToTs (1st ToT on KAIZEN Based on Toyota Production System) in 8-19 July 2013
- Planning the further coming ToTs

4. Study on Productivity Indices

- Training for MoLSSS staff regarding basic points of productivity indices
- Assisting the revision of “Productivity Statistics”
- Implementing the 2nd Workshop on Productivity Indices with FKE, COTU, KNBS and MoLSSS
- Planning the Sensitization Seminar for FKE and COTU (November 2013)

5. Holding the 2nd JCC on 6th August 2013

6. Preparing the Observation Mission to Malaysia

7. Planning the study in neighbor countries

8. Revising the implementation plan

[7th Study in Japan (11-31 August 2013)]

- Making the draft of Interim Report.
- Planning of the third country observation mission
- Planning of the study in the neighbor countries
- Reporting the progress of the Project to JICA Headquarter

[5th Study in Kenya (11 September – 19 December 2013)]**(1) Members**

Name of Experts	Field	Period
Takeshi FUJITA (Mr)	Chief/ Organizational Building	5 October – 9 December 2013
Katsutoshi IKEDA (Mr)	Deputy Chief/ Productivity/Quality Improvement-1	11 September – 9 December 2013
Ayako ISHIWATA (Ms)	Policy and Institutions	5 October – 3 November 2013
Yasuhiro KIUCHI (Mr)	Productivity Measurement	27 October – 9 November 2013
Sugumaran MUNIRETNAM (Dr)	Productivity/Quality Improvement-2	6 – 25 October 2013 and 30 November – 19 December 2013
Go OHGA (Mr)	Project Coordinator/Training & Seminars	28 September – 19 December 2013

(2) Items of activities**1. Policy/Institution Building**

- Making the proposal after the Project, including making the Priority Action Plans (PAPs)
- Studying on the progress of Second Medium-Term Plan of Vision 2030.
- Studying the progress of the examination of the draft Productivity Policy and Bill
- Supporting for making the draft of the Strategic Plan (2013-18)
- Studying and monitoring the status of recruitment of new staff in PCK

2. Consultation for pilot companies/institutions

- Consultation of pilot companies for the 2nd year (On the Job Training of PCK consultants)
- Making consulting manual and case sheets

3. Pilot ToTs for TSPs

- Implementation of ToT (2nd ToT on KAIZEN Based on Toyota Production System in 4-15 November 2013)
- Implementation of ToT (1st ToT on 5S Internal Assessment in 14-18 October 2013)

- Implementation of ToT (2nd ToT on 5S Internal Assessment in 5-11 December 2013)
- Making TSP database

4. Study on Productivity Indices

- Assisting the revision of “Productivity Statistics 2013”
- Implementing the sensitization program on productivity indices for FKE (4th Nov) and COTU (7th Nov)

5. Implementing the study in neighbor countries, Ethiopia and Tanzania

6. Preparing the 2nd Productivity Promotion Seminar scheduled on 28th January 2014

[8th Study in Japan (11-20 November and 11-30 December 2013)]

- Making the Draft Final Report
- Reporting the progress of the Project to JICA Headquarter

[6th Study in Kenya (6 January – 9 February 2014)]

(1) Members

Name of Experts	Field	Period
Takeshi FUJITA (Mr)	Chief/ Organizational Building	6 January – 2 February 2014
Katsutoshi IKEDA (Mr)	Deputy Chief/ Productivity/Quality Improvement-1	6 January – 9 February 2014
Ayako ISHIWATA (Ms)	Policy and Institutions	13 January – 2 February 2014
Sugumaran MUNIRETNAM (Dr)	Productivity/Quality Improvement-2	16 January – 6 February 2014
Go OHGA (Mr)	Project Coordinator/Training & Seminars	16 January – 9 February 2014

(2) Items of activities

1. Policy/Institution Building

- Discussing with PCK how to sustain the results of the Project
- Finalising the Priority Action Plans (PAPs) and the recommendations based on the results of the Project

2. Consultation for pilot companies/institutions

- Consultation of pilot companies for the 2nd year (OJT of PCK consultants)
- Making consulting manual and case sheets

3. Pilot ToTs for TSPs

- Making TSP database
- Implementing and analysing the post ToT questionnaire

4. Productivity Promotion Applicable to Kenya
 - Pilot 5S audit (2 companies and PCK office)
 - Making the proposal
5. Implementing the 2nd Productivity Promotion Seminar scheduled on 28th January 2014
6. Holding the 2nd JCC on 6th August 2013
7. Making the Final Report

[9th Study in Japan (6-24 February 2014)]

- Making the Final Report
- Compiling the results of the Project
- Reporting the results of the Project to JICA Headquarter

Project Flowchart – Draft Final Report (as of December 2013) and the Final (as of February 2014)

Attached as Figs. A-1 and A-2.

Input Result

Attached as Fig. A-3.

Fig. A-1: Project Flowchart - Final (February 2014)

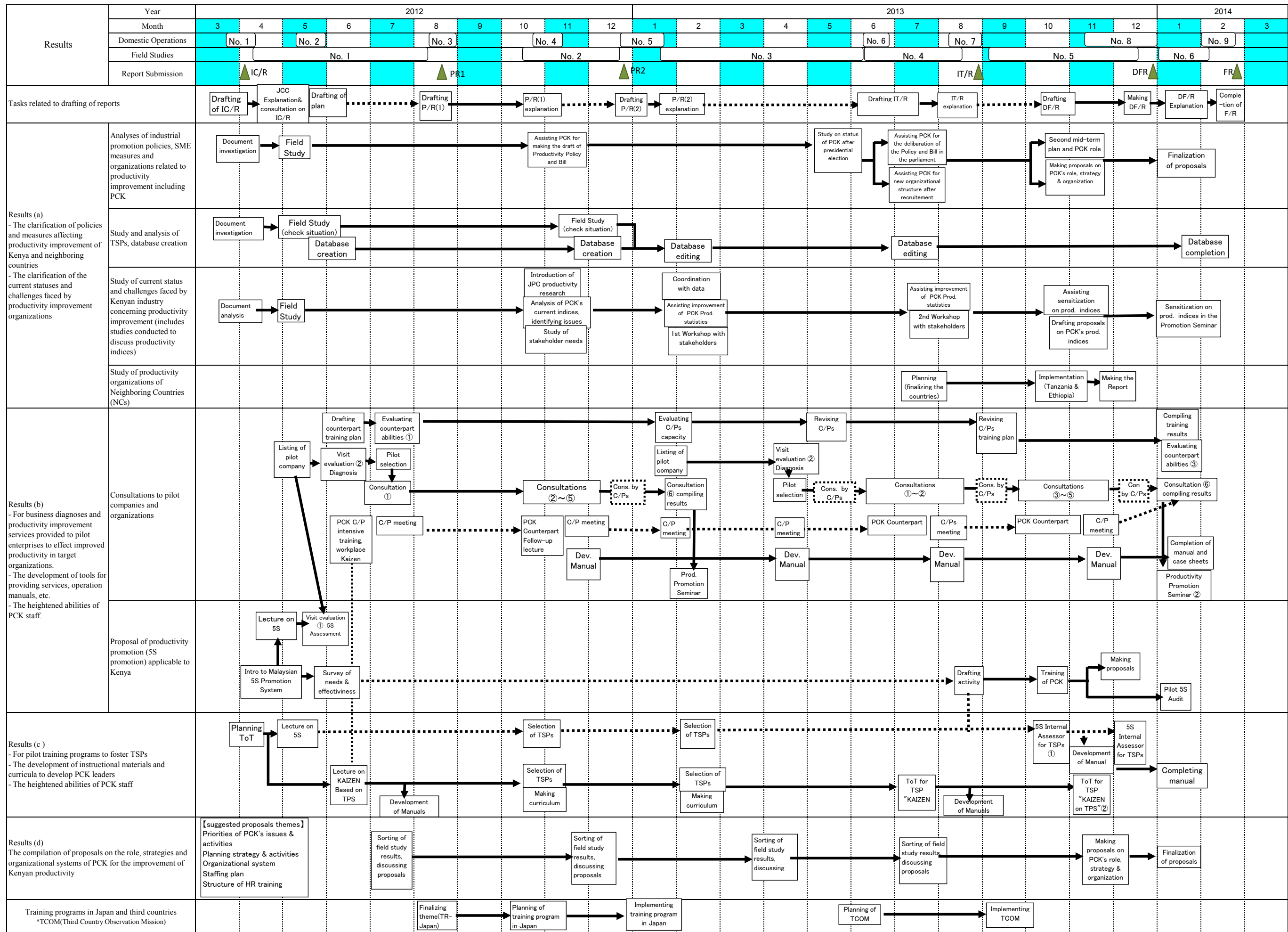


Fig. A-2: Project Flowchart - As of Draft Final Report (December 2013)

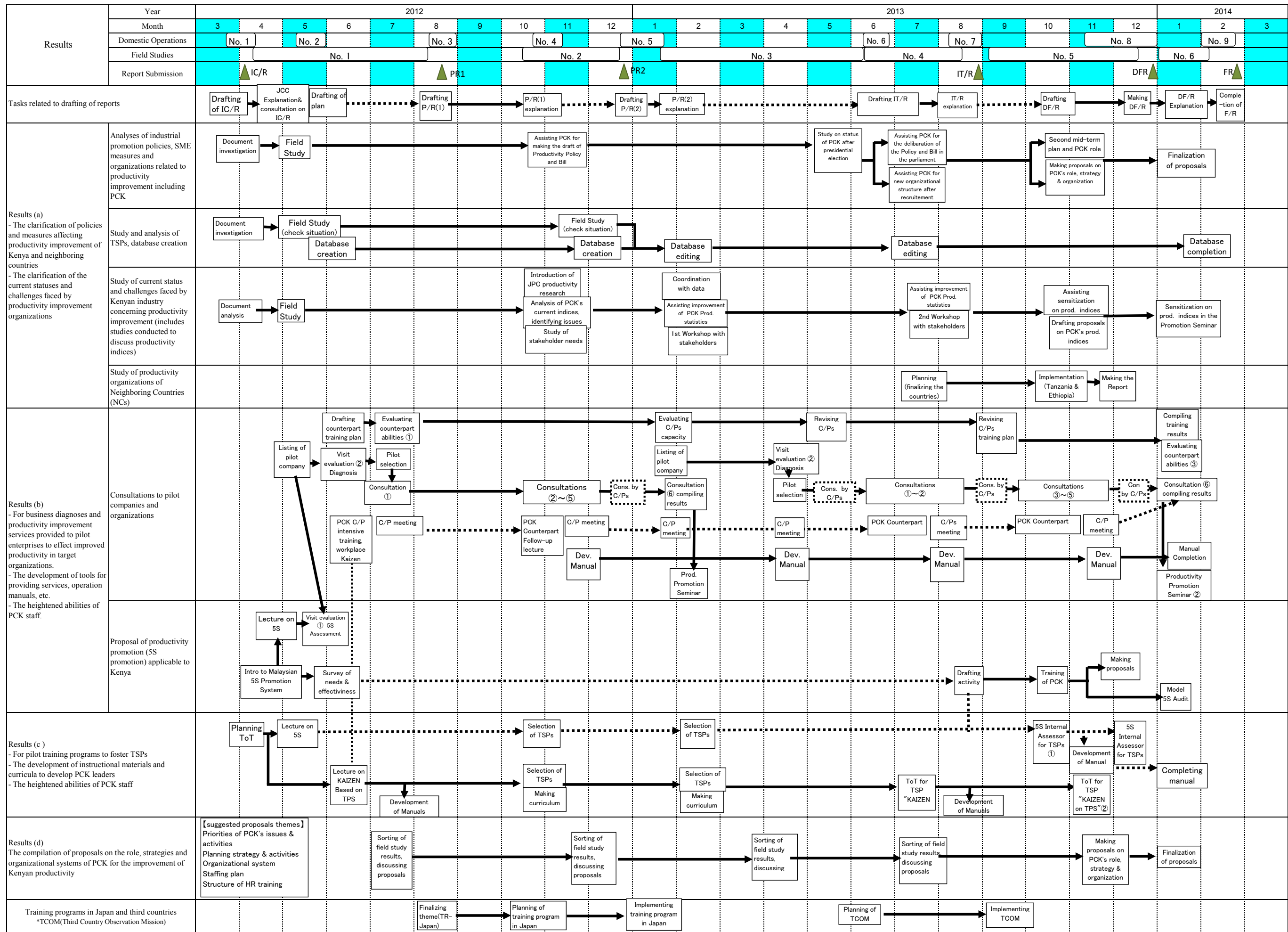


Figure A-3: Input Result

	Position	Name	Organization	Rank	2011 JFY			2012 JFY												2013 JFY												2011FY		2012FY		2013FY		Total	
					1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	Kenya	Japan	Kenya	Japan	Kenya	Japan	Kenya	Japan
Study in Kenya	Chief/Organizational Building	Mr. Takeshi Fujita	Japan Productivity Center	2				9 28							20 3		26 18					25 9	23 7	10 8	8 14	5 10	11 9	6 2			0.00		2.97		5.53		8.50		
	Deputy Chief/ Productivity/Quality Improvement-1	Mr. Katsutoshi Ikeda	Japan Productivity Center	3						25 8					20 18		26 18			7 8		7 15		11 9		6 9				0.00		4.30		7.57		11.87			
	Policy and Institutions	Ms. Ayako Ishiwata	Because Institute	3				9 29							10 2										5 3		13 2			0.00		1.47		1.70		3.17			
	Productivity Measurement	Mr. Yasuhiro Kiuchi	Japan Productivity Center	3										20 3		26 9							20 3			27 9				0.00		1.00		0.97		1.97			
	Productivity/Quality Improvement-2	Dr. Sugumaran Muniretnam	Malaysian Productivity Corporation	3				9 29																	6 25	30 19	16 6			0.00		0.70		2.07		2.77			
	Project Coordinator/Training and Seminars	Mr. Go Ohga	Japan Productivity Center	4				9 29		25 8					20 18							25 11		28 19		16 9				0.00		3.17		5.20		8.37			
																													0.00		13.60		23.04		36.65				
Study in Japan	Chief/Organizational Building	Mr. Takeshi Fujita	Japan Productivity Center	2				25 8		26 30			11 20				19 28					11 20		17 31			11 30	6 20			0.23		1.10		2.00		3.33		
	Deputy Chief/ Productivity/Quality Improvement-1	Mr. Katsutoshi Ikeda	Japan Productivity Center	3									11 20				19 28						17 31			11 15		11 20			0.00		0.67		1.00		1.67		
	Policy and Institutions	Ms. Ayako Ishiwata	Because Institute	3				25 8		11 15			11 20				19 28						11 25			11 30	6 20			0.23		1.10		1.67		3.00			
	Productivity Measurement	Mr. Yasuhiro Kiuchi	Japan Productivity Center	3				4 8									24 28						21 25			11 30		11 15			0.00		0.33		1.00		1.33		
	Productivity/Quality Improvement-2	Dr. Sugumaran Muniretnam	Malaysian Productivity Corporation	3				25 8		11 15			11 20				19 28						21 25			11 20	21 30	11 20			0.23		1.10		1.17		2.50		
	Project Coordinator/Training and Seminars	Mr. Go Ohga	Japan Productivity Center	4				4 8		11 15			16 20		27 10	24 28	9 26							13 27			21 30	10 24			0.00		1.77		1.33		3.10		
																													0.70		6.07		8.16		14.93				
Submission of Report																																							
		(M/M Total)																												0.70		6.07		8.16		0.70			
Timing of Dispatch/Activities in Japan																														0.00	0.70	13.60	6.07	23.04	8.16	36.64	14.93		
																														0.70		19.67		31.20		51.57			

 Study in Kenya  Study in Japan

Appendix 2

Outline of the Training Programme in Japan

1. Outline of the Programme

Considering the condition under which PCK was expected to be transformed, the theme of the programme was set as 'Organizational Strategy for Productivity-related Institutions'. The priority is to gain greater knowledge on organizational strategy so that PCK will be able to establish a far better relationship with key organisations. An outline of the training programme is as follows.

[Objectives]

- 1) To study Japanese policies regarding promoting SMEs and productivity improvement
- 2) To understand the roles of national productivity/quality institutions, industrial organisations, and trade unions in quality/productivity improvement policy
- 3) To strengthen the relationship among Kenyan organisations by observing the practices of the productivity movement in Japan

[Main topics learnt]

- 1) History/principles/activities of the Japanese productivity movement
- 2) Japanese Industrial Policy and SMEs Policy, and supporting systems for SMEs
- 3) Efforts towards quality/productivity improvement in Japanese companies
- 4) Productivity improvement and the labour-management relationship

[List of participants]

Senior officers/executives of productivity-related ministries and main stakeholders of PCK (FKE and COTU)

		Name	Organisation	Designation/Position
1	Mr.	JULIUS MUIA	National Economic and Social Council (NESC)	Chief Executive Officer
2	Ms.	LINETH OYUGI	Federation of Kenya Employers (FKE)	Head of Research and Policy Advocacy
3	Ms.	PURITY KAMAU	Productivity Centre of Kenya (PCK)	Director

*The participants who had been nominated by COTU and MoLSSS were cancelled, due to urgent business duties.

[Schedule]

Date		Time	Contents
15 th January	Tue	9:00-12:00	JICA briefing
		13:30-14:15	Programme orientation
		14:30-16:30	Lecture: The philosophy and history of the Japan Productivity Center and the roles of productivity institution
16 th Jan.	Wed	10:00-12:00	Lecture: Building relationships with companies in productivity institutions
		13:30-15:30	Lecture: Consulting activities in the Japan Productivity Center
		15:45-17:15	Lecture: Productivity indices in the Japan Productivity Center
17 th Jan.	Thu	10:00-12:00	Lecture: Human resource development for productivity improvement
		14:30-16:30	Visit: Organisation for small & medium enterprises and regional innovation Theme: National support scheme for SMEs in Japan
18 th Jan.	Fri	10:00-12:00	Visit: Japan Business Federation Theme: Role of employers' associations for productivity movement
		15:30-17:30	Visit: Japanese Trade Union Confederation Theme: Role of trade unions for productivity movement
19 th	Sat	Holiday	
20 th	Sun	PM	Move from Tokyo to Nagoya
21 st Jan.	Mon	10:30-13:00	Visit: Toyota Motor Corporation
		16:00-17:30	Visit: Chubu Productivity Center Theme: Productivity movement at the regional level
22 nd Jan.	Tue	10:00-12:00	Visit: Mirai Industry Co., Ltd. Theme: Productivity improvement activities in manufacturing SMEs
		15:00-17:00	Visit: Nagoya Chamber of Commerce Theme: Regional support scheme for SME development in Japan
23 rd Jan.	Wed	AM	Move back to Tokyo
		13:00-15:00	Visit: Musashino Co., Ltd. Theme: Productivity improvement activities in service SMEs
		16:30-17:30	Visit: Asian Productivity Organization Theme: Support for productivity improvement in Asia and Africa
24 th Jan.	Thu	10:00-12:00	Visit: Japan Standards Association Theme: Various schemes for quality improvement and their publicity
		14:00-16:00	Discussion and presentation: How to apply the results of the training in Japan to Kenya
25 th	Fri	10:00-12:00	Evaluation and closing ceremony

2. Results

- The system of industrial-related human resource development on productivity improvement in Japan was understood. There are various organisations both in public sectors (focusing on SMEs development) and private sectors. They have different strengths and develop the PI programmes and tools.
- The roles and activities of Japan Productivity Center (JPC), the national productivity center in Japan like PCK in Kenya, are understood. Similar with PCK, based on the tripartite supports from industries, trade unions, and academia, JPC has provided productivity indices and established the platform of labour-management joint consultation, in order to enhance the cooperation between labour and management. Regional productivity centers have worked to spread the concept and practice of PI in the regional level.
- JPC also has been promoting productivity movement in Japan and also provided PI related services, such as training, consultation, training of consultants.

- Utilising the results of the training programme, the participants selected the eleven thrust issues as follows; ‘1. Promoting national productivity policy’, ‘2. Promoting a legislative framework (National Productivity Council Bill)’, ‘3. Specifying the roles of PCK’, ‘4. Capacity building of PCK’, ‘5. Publicising (Sensitising towards) productivity in Kenya’, ‘6. Mainstream productivity in Kenya’s development plans’, ‘7. Establishing productivity in the devolved county government structure’, ‘8. Establishing credit guarantee schemes for SMEs’, ‘9. Exploring opportunities for further collaboration with the Japanese Chamber of Commerce and Industry (for setting up regional chambers of commerce and industry in Kenya)’, and ‘10. Applying a fee for PCK’s service’, and ‘11. Adopting the best practices of Japanese companies’.
- The importance of SME promotion policies was confirmed. In addition, the technical assistance service for the enterprise needs to be enhanced. In order to improve its quality, the Government needs to support it for certain period.
- Wage negotiation often results in severe labour disputes in Kenya. To improve labour-management relations, the system of labour-management cooperation, including labour-management joint consultation, was a good reference for Kenya. In addition, personnel cost is considered to be divided into fix component and variable component in many companies in Japan, and gain sharing of productivity improvement is linked to the variable component. It leaves the company the flexibility of setting the wage level, according to the change of productivity level. This system can be considered to be applied to Kenya in the future.
- In Kenya, the concept of training employees within an enterprise has not yet spread. The employee takes part in the training programme implemented by TSPs, but the effectiveness of the training programme on the job has merely been measured. The system to measure the effects of the training programme by the PCDA cycle in Japan should be applied to Kenya.
- The leadership of top executives was the key factor in the success of the companies that we visited this time. Besides, it encouraged the employees to be passionate and professional. It is necessary, in Kenya, to develop top executives who can create an enterprise culture with a productivity concept and realise the concept.

(END)

Appendix 3

Outline of the Observation Mission in the Third Country (Malaysia)

1. Outline of the program

There were two sets of the alternative venue and program. One of them was “Organizational Strategy for Productivity Institutions” in Malaysia, and the other was “Productivity Indices and Labour-Management Relation” in Singapore*. Through the discussion with PCK, it was confirmed that the program in Malaysia was more suitable, because productivity improvement was clearly linked to “Vision 2020”, the National Development Plan in Malaysia. In addition, there were many programs provided for the enterprises, in order to enhance productivity improvement. It would be useful to learn them and consider the application to Kenya. The outline of the program is described as follows.

(*)In Malaysia, the policy on productivity improvement is linked in the National Development Plan. And the Malaysia Productivity Cooperation (MPC) has established productivity improvement programs, such as 5S Certification, a national QCC convention, etc. In Singapore, the government, the employers federation, and the trade union comprise an organization, called the National Wages Council, and with its dedication to cost of living, the labor market, and productivity, the Council provides guideline for wage negotiation.

[Objectives]

- 1) To learn the national development policy and the industry policy (mainly SMEs promotion policy), and learn the linkage between these policies and the policy on productivity improvement.
- 2) To learn productivity improvement strategy and methods, especially, for supporting companies (QE Certification, Innovative and Creative Circles).

[Course Topics]

- 1) Introduction to MPC and its place in the National Development Policy
- 2) MPC’s company-support programs linked to productivity improvement
- 3) Malaysian initiatives to promote small and midsize business

[List of Participants]

5 Senior Officials of the Ministries closely linked with National Productivity Policy

	Name	Organization	Designation/Position
1	Mr. SAMUEL K. KIPTORUS	Ministry of Devolution and Planning	Chief Economist/ Acting Director of Planning
2	Mr. JOSEPH M. MBEYA	Ministry of Industrialization and Enterprise Development	Assistant Director of Industries
3	Ms. WINNIE N. KARINGITHI	Ministry of Labour, Social Security and Services	Head of Central Planning and Monitoring Unit
4	Mr. JOHN N. KARIUKI	Vision 2030 Delivery Secretariat	Assistant Director of Economic Pillar
5	Ms. PURITY KAMAU	Productivity Centre of Kenya (PCK)	Director

[Schedule]

Date	Time	Contents
9 th September	Mon	AM
	Mon	PM
10 th September	Tue	AM
	Tue	PM
11 th September	Wed	AM
	Wed	PM
12 th September	Thu	AM
	Thu	PM
13 th September	Fri	AM
	Fri	PM

2.Results

- All the participants were satisfied with the contents of the program. The themes, such as ‘Malaysian national development policy and productivity improvement’, ‘QE Certification (lecture and site visit)’, were regarded as most practical and useful. The site visits and case study made them easily understand the effectiveness of applying productivity methods (5S, ICC, PLWS). In addition, they evaluated that the guidance of JICA experts, who know the reality in Kenya and Malaysia, helped to deepen the understanding.
- The national policies related to productivity improvement were explained and understood by the participants. It was confirmed that the strong initiative of governments was essential to enhance productivity improvement.
- In Malaysia, there were various programs to support the SMEs, in terms of Innovation and Technology, Access to Finance, Access to Market, Human Capital Development, etc. The system called “SCORE”, to assess the capacity of SMEs, has been utilized for securing the capability of the companies.

- The main promotion programs for enhancing productivity improvement, such as QE (5S) Certification, Innovative Creative Circle (former Quality Control Circle), were introduced through the lectures and site visits. In order to make the effectiveness easily, two site visits were planned at the public organizations (Ministry of Human Resource and Custom Office), to which the participants belonged. In these two organizations, the operations were improved by 5S and ICC, and the work moral was enhanced. The factors of success were revealed as the leadership/commitment of leadership, and the teamwork at the workshop.
- Considering the gain sharing of productivity result, the Productivity Linked Wage System (for individual companies) was introduced. The booklet with successful cases in Malaysian companies was shared with the participants.
- The new approaches to Economic Transformation Programmes, which focuses on ‘Growth through productivity’, ‘Private sector-led growth’, ‘Localised autonomy in decision-making’, ‘Cluster- and corridor-based economic activities’, ‘Favour technologically capable industries and firms’, ‘Asian and Middle East orientation’, ‘Retain and attract skilled professionals’ are noted to be good reference to Kenya.
- As the first step of productivity, the importance of 5S was shared among the participants. They showed the great interest in applying 5S into the governmental sectors, alike the case in the Ministry of Human Resource in Malaysia. In order to promote it, it is suggested to establish a National Steering Committee to oversee mainstreaming of productivity practices in the public sector.
- Based on the results of the program, the participants made the action plan. There are two components, including ‘Improve efficiency in service delivery (of the governmental sector)’ and ‘Facilitate efficiency in private sector’. The participants also showed their intention to support the National Productivity Policy and the activities of PCK in their standpoints.

(END)

Appendix 4

Outline of the Study in Neighbouring Countries (Ethiopia and Tanzania)

1. Outline of the Programme

Since PCK is the core member of the Pan-African Productivity Association, which is a continental network of productivity movements, PCK has the responsibility for spreading productivity movements and best practices to neighbouring countries in Eastern African nations.

JICA has launched a productivity improvement project in Ethiopia and Tanzania. Linking PCK with productivity-related organisations in the two countries meets PCK's duty as a PAPA member, as well as enabling PCK to learn about the productivity policy and its practices in these countries. An outline of the study is provided as follows:

[Objectives]

- (1) To study the governmental policy on productivity improvement
- (2) To study the current status of productivity (KAIZEN)-related organisations and their activities to assist productivity improvement of companies
- (3) To establish a network of PCK with KAIZEN-related organisations

[Countries to visit] Tanzania and Ethiopia

[Duration] 20-26th October 2013 (21th and 22th in Ethiopia, 24th and 25th in Tanzania)

[Members] JICA experts and counterparts of PCK

		Name	Organization	Designation/Position
1	Ms.	Purity KAMAU	Productivity Centre of Kenya (PCK)	Director
2	Mr.	William MOGIRE	Productivity Centre of Kenya (PCK)	Senior Productivity Officer
3	Mr.	Takeshi FUJITA	JICA Project Team	Chief / Expert in Organisational Building
4	Ms.	Ayako ISHIWATA	JICA Project Team	Expert in Policy/Institution

[Schedule]

Date	Day	AM	PM
20 th Oct.	Sun		18:00 Leaving Nairobi for Addis Ababa by ET800 20:05 Arriving at Addis Ababa
21 st Oct.	Mon	10:00-11:00 JICA Expert Team 11:00- 12:30 EKI (Ethiopian KAIZEN Institute) Staff (Training for LMEs & MSEs)	14:30- 15:30 JICA Expert Team
22 nd Oct.	Thu	9:00- 9:40 Federal TVET Agency 10:00-10:30 Pilot MSEs 11:00-11:30 Federal MSE Development Agency	14:00-14:40 Chamber of Commerce & Industry 15:00-15:40 EKI- Meeting with DG-EKI 16:00-17:00 JICA Ethiopia Office
23 rd Oct.	Wed	10:30 Leaving Addis Ababa for DAR ES SALAM by ET805 13:25 Arriving at DAR ES SALAM	DAR ES SALAM
24 th Oct.	Thu	9:00-12:00 MIT	14:00-14:30 JICA Tanzania Office 15:00-16:00 TCCIA (Tanzania Chamber of Commerce & Industry)
25 th Oct.	Fri	9:30-10:30 SIDO (Small Industry Development Organization) 11:00-12:00 CBE (College of Business Education)	14:00-15:00 CTI (Confederation of Tanzania Industry) 15:00-16:00 National Institute for Productivity
26 th Oct.	Sat	10:25 Leaving DAR ES SALAM for Nairobi by KQ483 11:45 Arriving at Nairobi	

2. Results

- In Ethiopia, we were exposed to the success of the organizational enhancement of Ethiopia KAIZEN UNIT (EKI), with the prime minister leadership. EKI has built the strong organisational capacity and human resource with the assistance of JICA. EKI has 77 staff and 13 directorates, consisting of 5 sectoral directorates, 2 TVET- higher education related directorates, and 6 administration directorates.
- The prime minister's initiatives also enabled to lead different ministries to the same direction as national productivity improvement. EKI itself is under Ministry of Industry. And it collaborates well with FeMSEDA (Federal MSE Development Agency) under Ministry of Urban Development and Construction and FeTA (Federal TVET Agency) under Ministry of Education.
- The uniqueness found in Ethiopia is the strong linkage between EKI and TVET, in order to implement KAIZEN in MSE level. EKI trains the trainers of TVET through class room lectures (1 month) and In-Company Training (2 months) at MSEs, listed by FeMSEDA. After the training, TVET trainers are in charge of consulting with MSEs.
- EKI's consultants are trained through class room lectures (1 month) and In-Company Training at large and medium enterprises (5 months).
- In addition, the leadership of Director General, Mr. Getahun, is one key factor of success. He is so

passionate and proud of KAIZEN, which can encourage people in various levels the change.

- In Tanzania, the training of trainers is structured: training KAIZEN Trainers in the first stage and training Master Trainers among selected KAIZEN Trainers in the second stage.
- The involvement of SIDO (Small Industry Development Organization) and CBE (College of Business Education) as C/P organizations is the good strategy to spread the results of the training to SMEs and students.
- Regional extension of KAIZEN would be possible with the collaboration of TCCIA (Tanzania Chamber of Commerce, Industry and Agriculture), since TCCIA, which has the regional network and tight relationship with private sector, has the strong interest in KAIZEN promotion.
- In addition to the results above, the visit benefited the establishment of the relationship between productivity related organizations in three countries. Although they are different in the development stage, three C/P organizations are going forwards to the same direction and share the similar challenges. This study surely became the first step of long term relationship among them.

(END)

MINUTES OF THE FIRST JOINT COORDINATING COMMITTEE (JCC) MEETING HELD TO DISCUSS THE JICA PROJECT ON PRODUCTIVITY IMPROVEMENT IN KENYA AT THE MINISTRY OF LABOUR BOARD ROOM ON 25TH APRIL, 2012 STARTING FROM 9:00AM

Present	Position	Organization
1. Mrs. Philomena Koech (Chair Person)	Director of Administration	MOL
2. Mrs. Purity Kamau	Head, PCK	PCK
3. Mr. Hideo Eguchi	Chief Representative	JICA, KENYA
4. Mr. Evans Maturu	Consultant	JICA, KENYA
5. Ms. Kazuyo Kaneko	Project Formulation Advisor	JICA, KENYA
6. Mr. Takeshi Fujita	Chief Expert	JICA Expert Team
7. Ms. Ayako Ishiwata	Expert, Policies and Institutions	JICA Expert Team
8. Dr. Sugumaran	Expert, Productivity Improvement	JICA Expert Team
9. Mr. Go Ohga	Coordinator/Expert in Training and Seminar	JICA Expert Team
10. Mr. Patrick Ngumi	Director, Private Sector, Enablers & Comp	NESC
11. Mr. Noah Chune	Economist	COTU(K)
12. Mr. Lewell G. Njehia	Assistant Director, Industries	MOI
13. Mr. Michael Kyalo	Chief Economist	MSPD &V 2030
14. Mr. Lineth Oyugi	Head, Research and Policy Advocacy	FKE
15. Mr. William Mogire	Chief Productivity Officer	PCK
16. Mr. James Kimani	Chief Productivity Officer	PCK
17. Mr. Jared Aduwo	Project officer, JICA	PCK
18. Mr. Francis Wanyeki	Officer	MOL

***The Minute was made by PCK.**

Observers

1. Mr. Masahiro Hagiwara	Second Secretary	Embassy of Japan, Kenya
2. Mr. Hiroshi Komatsuzaki	Executive Director	JETRO, Nairobi Office

Agenda

1. Welcome Remarks by representative of Permanent Secretary, Ministry of Labour
2. Remarks by JICA KENYA office
3. Introduction of the members of JCC
4. Outline of the Project and Role of JCC
5. Outline of project implementation plan
6. Discussions
7. Progress of activities 11-27th April, 2012

7. Progress of activities 11-27th April, 2012
8. Way forward
9. Any Other Business

Min/1/4/2012: WELCOME REMARKS BY REPRESENTATIVE OF THE PERMANENT SECRETARY (PS), MINISTRY OF LABOUR

The Director of Administration Mrs. Philomena Koech, who represented the Permanent Secretary of the Ministry of Labour, welcomed the Committee members and allowed for members self introduction before delivering opening remarks. In her opening remarks, the Director recalled the preparation stage of the project and appreciated the hard work put in and enthusiasm of the JICA mission team and appreciated the assistance that the Japanese Government through their development Agency – JICA, and previously through the Japan Productivity Centre, has extended to Kenya. She indicated that the country faces serious challenges on productivity as evidenced even from the way time is managed and therefore assistance in the area of productivity is very important as it affects overall economic development.

Further, she noted the important role that the project will play in facilitating the government introduce productivity practices which have helped other countries achieve development at a faster pace. She reiterated the wish to see the same tools introduced not only in the private sector but also in the public sector.

In conclusion she indicated that the Government of Kenya is committed to strengthening the Productivity Centre of Kenya for it and to effectively play it's role in the economy. She also added that the financial resources have been allocated to expand the staff capacity in the 2012-2013 financial year and plans are at an advanced stage of strengthening and transforming PCK to a more effective body. She reassured the meeting that the staff handling the project will remain in the Centre even as the Government transforms it into the proposed National Authority.

Min/2/4/2012: REMARKS BY JICA KENYA OFFICE REPRESENTATIVE

The Japan International Cooperation Agency (JICA), Kenya Office Chief Representative, Mr. Hideo Eguchi delivered a key note speech on the project on productivity improvement. It was noted that JICA, Kenya Office was proud to be associated with the implementation of the project on productivity improvement as part of the necessary requirement to transform the socio economic landscape of Kenya. He indicated that productivity is key in enhancing the competitiveness of both public and private entities in the dynamic market. More so, considering that embracing productivity would play an important role in assisting the country realize the aspirations of the desired Vision 2030, JICA's support would build capacity, in the productivity movement in the country.

Further, he noted that the project had some experience to build on, especially from the productivity specialists who had been trained earlier in basic and advanced productivity management. This was done when Japan Productivity Center worked with PCK on a similar

project focusing on both public and private sectors, that led to the development of pilot companies and organizations, and productivity improvement manuals mostly focused on the 5S and KAIZEN tools. Noting the success made, he reiterated that a successful productivity movement required a holistic approach cutting across all sectors. Notwithstanding, multi-faceted activities be implemented in areas of human resource development such as training and training of trainers, public information activities, awards systems, qualification systems, survey and research including productivity measurements and information collection and dissemination to keep pace with dynamics of the markets.

He further observed that the Kenya could borrow from best practices elsewhere to steam up productivity movement and called on all stakeholders to support PCK to address outstanding challenges.

Minute: 3/4/2012: ROLE OF JOINT COORDINATING COMMITTEE (JCC)

The Head PCK, Mrs. Purity Kamau informed the meeting that the project was formulated against a background of Kenya raising its commitment of improving the performance of the economy as indicated from several ongoing institutional reforms under the implementation of the constitution promulgated in 2010. The country's global competitiveness status had also been on a declining trend since the year 2008, and according to the Doing Business 2012 Report, Kenya was position 109 out 183. Nationally, the meeting was informed that competitiveness of local goods and services is low, indicating the urgent need for this project.

The meeting was further informed that the JCC was established to ensure efficient and successful implementation of the Project, and meetings are scheduled at least once (or twice) a year in Kenya. The membership of the JCC is drawn from the key stakeholders of PCK activities as indicated hereunder;

- Ministry of Labour(MOL),
- Federation of Kenya Employers(FKE)
- Central Organization of Trade Union(COTU)
- National Economic and Social Council
- Ministry of Industrialization
- Ministry of Planning, National Development and Vision 2030
- Head of PCK
- Representative of JICA
- JICA Experts
- Japan Embassy Official and JETRO Nairobi Office (as observers)

The Permanent Secretary, MOL chairs the meeting. Considerations for co-opting other government Ministries with mandate for promotion of national competitiveness is in place. In this regard, the meeting was informed that, the Ministry of Planning, National Development and

Vision 2030 was co-opted in the Committee, while JETRO Nairobi Office, in addition to the Embassy of Japan which is already indicated in the Record of Discussion, attends as an observer.

Further, the meeting was informed that prior to the completion of the project there would be at least three meetings scheduled as hereunder mentioned:

- First JCC meeting, at the start of the project
- Second JCC at Mid - term review (After year one)
- Final JCC meeting - review meeting (End term)

Minute: 4/4/2012: OUTLINE OF PROJECT IMPLEMENTATION PLAN

The meeting was taken through the project contents including the project implementation plan, by Mr. Takeshi Fujita, the Chief, JICA Expert Team. He informed the meeting that the project implementation period was two years which commenced in March, 2012 to February, 2014. "The goals of the project" are threefold: to implement the proposed PCK's role, policy and organizational framework; to enhance the capacity of PCK on productivity improvement by improving the technical capacity (productivity improvement skills) through PCK's diagnosis/productivity improvement services at the client firms/institutions; and the abilities of Technical Service Providers (TSPs) are strengthened. He also mentioned that this project consisted of two elements, namely "Study on Policy and Institution for productivity improvement in Kenya" and "Pilot Activities of consultation activities and Trainers of Training", which aimed at achieving Overall Goal (precisely in this project, "Goal which will be attained by utilizing the Proposed Plan"), "Activities of productivity improvement in the Republic of Kenya are sustained and expanded". The Chief expert indicated that the project would be implemented mainly in Nairobi and the scope includes productivity awareness, application of productivity improvement tools and productivity measurement.

Further, it was indicated that the under mentioned activities would be accomplished:

- Study the productivity policy and related policies on Kenya and roles of PCK
- Pilot activities capacity development
 - Consultation on pilot companies/institutions
 - Pilot Training on Trainers (TOT) for technical Service Providers(TSPs)
- Productivity promotion
 - Productivity promotion seminar
 - Study and implement productivity promotion method applicable to Kenya
- Study on productivity measurement
- Policy proposal on productivity policies , and the strategies and organizational framework of PCK
- Other activities (Training program in Japan, Third Country Training Program, Study in EAC Countries). Themes of "Training program in Japan" and "Third Country Training Program" will be decided according to the priority in productivity promotion in Kenya. The possible

venue of benchmarking exercises is national productivity promotion agencies such as SPRING Singapore, Malaysia Productivity Corporation.

It was indicated that the activities have been scheduled in a pro-rated form.

Minute 5/4/2012: DISCUSSIONS ARISING FROM BRIEF OF PROJECT IMPLEMENTATION PLAN

The following issues arose from presentation of project outline.

First, a member indicated that the strategy to implement similar projects in Tanzania and Uganda seemed immature and had no proper linkages within the project framework. In response, the meeting was informed that the project would not be implemented per se in Tanzania and Uganda, but it was designed as a networking initiative for PCK which is a member of the Pan African Productivity Association (PAPA). PAPA is a continental body spearheading productivity movement in Africa that places responsibility to PCK for developing networking linkages among the neighboring countries in East Africa. Through the project, Kenya would showcase productivity best practices for spread of productivity practices in the region.

Second, there was a concern that duration of the project was too limiting for the achievement of remarkable results while the modalities for selecting the ten companies/institutions to be developed as models was not clear given that the country has an inherently large informal sector. In response, it was noted that designing of the project period was determined by the size and potential of the implementing institution. It was also noted that the project content to be delivered within the specified period is capable of giving PCK the required critical mass to roll out productivity movement to the rest of the country. In addition, it was indicated that the Government has put aside funds for recruitment of additional staff in the following financial year.

Further, it was clarified that the selection criteria was well articulated in the inception report and the ten organizations to be selected as models of productivity improvement are based on the capacity for absorption. The Malaysia case was cited as the best practice when similar projects were initiated. Ten organizations were developed and showcased as models of productivity improvement and further used as baseline for adoption of best practices.

Third, there was suggestion that the Kenya National Bureau of Statistics (KNBS), being the official government body in charge of statistical information administration be coopted in the JCC as a member. This would provide easy entry during the development of productivity indices. In response, members agreed for co-option of KNBS. However, the capacity of key stakeholders in the utilization of productivity indices requires to be built for informed decision making and utility.

Fourth, there was a concern that the project was inclined more towards private sector while the Government which equally required these best practices, was left behind. Further, it was noted that the improvement of the productivity in the public sector had direct impact on the people of Kenya in terms of improved service delivery. The JICA Chief Representative, Mr. Eguchi, responded that the project needs to first focus on the private sector, and after PCK develops its

training capacity on productivity improvement, then it can perhaps utilize its skills to train government organization.

Fifth, a clarification was sought as to whether the project would consider the Government development policy agenda on cluster initiatives. In response, Fujita explained that the project team had the plan to invite the regional staff of Kenya Institute of Business Training (KIBT) to ToT for TSPs. He mentioned that KIBT had the branch office in 4 regions of the cluster initiatives such as Mombasa, Kisumu, Garissa, Nakuru, and the project could contribute to the initiatives through training the regional officers of KIBT in the TOT. In addition, as the industrial sectors were concerned, the clarification was made that a slot of pilot organizations had been reserved for agro-processing industry in the first year, with one for service (tourism) industry in the second year.

Lastly, a clarification was sought on the way the training was designed. It was underscored that the trainings were designed based on the financial viability thus only one can be taken i.e. either “organisational strategy for productivity promotion organization” (Malaysia) or “Productivity Indices and Labour - Management Relation” (Singapore).

Min 6/4/2012: PROGRESS OF ACTIVITIES 11-27TH APRIL, 2012

The following were reported as the activities undertaken during the commencement of the project:

- Policy study and making proposal
 - Studied the current status of productivity policy /authority bill and re-organisation of PCK
 - Discussed with PCK staff on current productivity issues and activities and the ensuing roles of PCK
 - Studied PCK’s current activities (Consultation, training, etc)
 - Discussed the outline of the strategic plan of PCK for the period 2013-2018 based on the second medium term plan
- Consultation for pilot companies /institutions
 - Studied the needs of stakeholders for pilot consultation activities
 - Made the plan of selecting pilot companies/institutions
 - Discussed with PCK on the implementation process of consultation
 - Implemented technical transfer necessary for 5S Assessment in the final selection process (including exercise at factory)
- Pilot TOT for TSPs
 - Studied the needs of stakeholders for pilot TOTs
 - Defined the TSPs and examined the organizations of TSPs which can collaborate with PCK on productivity improvement activities
 - Made draft format of TSPs database
- Productivity Promotion

- Agreed on the plan of Productivity Promotion seminars
- Studied the productivity promotion method applicable to Kenya
 - introduced 5S promotion System in Malaysia
 - Discussed with PCK on any other possible method
 - Started the need survey of the companies
 - Made the roadmap and revised the input plan of the expert.
- Productivity Measurement
 - Visited FKE and COTU
 - Studied the needs for productivity indices
 - Discussed the possible cooperation with this project
 - Visited Kenya National Bureau of Statistics (KNBS)
 - Explained the outline of the project
 - Discussed the possible cooperation with this project
 - Collected statistical reports/economic survey

Min 7/4/2012: WAY FORWARD

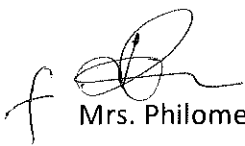
It was indicated that the team will finalize the draft inception report and continue working on activities as scheduled.

Min 08/4/2012: ANY OTHER BUSINESS

There being no other business the meeting ended at 12:30pm. The next meeting shall be called on notice.

Annex 1 Outline of Project Implementation Plan

Annex 2 Progress of Activities



Mrs. Philomena Koech,

Director of Administration,

Ministry of Labour

MINUTES OF THE MEETING OF THE SECOND JOINT COORDINATING COMMITTEE IN THE JICA PROJECT ON PRODUCTIVITY IMPROVEMENT ON 6TH AUGUST, 2013 at 9:30 AM AT CABINET SECRETARY CONFERENCE ROOM, 8TH FLOOR, NSSF BUILDING (DRAFT)

Participants

	<u>Present</u>	<u>Designation</u>	<u>Organization</u>
1	Ali Noor Ismail	Principal Secretary	Ministry of Labour, Social Security and Services (MLSSS)
2	Hideo Eguchi	Chief Representative	JICA Kenya Office
3	Amb. Franklin Esipila	Director of Administration	MLSSS
4	Purity Kamau	Head	Productivity Centre of Kenya (PCK)
5	Joseph M. Mbeva	Chief Economist	Ministry of Industrialization and Enterprise Development (MIED)
6	Samuel Kiptorus	Chief Economist	Ministry of Planning and Devolution (MPD)
7	Patrick Ngumi	Director, PSEC	National Economic and Social Council (NESC)
8	Beatrice Onyando	Chief Manager, Strategy	Federation of Kenya Employers (FKE)
9	Robert Gatonga	Senior Economist	National Treasury
10	Kazuyo Kaneko	Project Formulation Advisor	JICA Kenya Office
11	Takeshi Fujita	Chief and Expert	JICA
12	Katsutoshi Ikeda	Deputy Chief and Expert	JICA
13	Go Ohga	Expert	JICA
14	James Kimani	Chief Productivity Officer	PCK
15	William Mogire	Chief Productivity Officer	PCK
16	Jared Aduwo	Senior Economist	PCK

Agenda

MINUTE	EVENT	ACTION BY
MIN : 1/8/2013	• The chair (PS of MLSSS) welcomed members to the meeting and allowed the members self introduction. He indicated that an urgent issue that required his attention had came up in the morning and	

Opening remarks	<p>showed his apologies for inability to chair the meeting to completion. However, in his opening remark, the Chairman thanked the Japan International Cooperation Agency (JICA) for supporting the productivity improvement in the country amongst others. He reiterated that the improved competitiveness of the country depended essentially on the enhanced productivity levels. Noting the big variance of productivity levels between Japan and Kenya as results of low productivity practices, the PS indicated government's commitment towards all measures for improving productivity levels in the country.</p> <ul style="list-style-type: none"> • Further, the Chairman decried the slow implementation of negotiated components of the projects, more so, the components on PCK staffing which has not picked as initially envisaged due to unforeseen constitutional related impediments. Nonetheless, the Government is keen on recruitment of the staff and he informed the meeting that the Cabinet Secretary has already contacted the Public Service Commission on fast tracking the recruitment. Further, the Chairman indicated the Centre has been earmarked for a transformation to an Authority to enable autonomy in management. 	MLSSS
<p>MIN : 2/8/2013</p> <p>Progress Report of the Project</p>	<ul style="list-style-type: none"> • The meeting was informed of the main components and activities of the project that are undertaken as summarized: <ul style="list-style-type: none"> ○ <i>Policy and organization buildings of PCK</i>- JICA experts provided assistance in improving the draft national policy on productivity and the subsequent National Productivity Authority Bill. The Policy and Bill were approved by cabinet and currently awaits discussion in the National Assembly. ○ <i>Consultation in pilot companies</i> - Six (6) pilot companies were identified and the consultation was conducted in the first year. A further six (6) pilot companies have been identified and the consultation is going on in the Second year. Consequently, technical skills required for productivity improvement are transferred to PCK consultants through On the Job-Training. ○ <i>Training of Trainers of Technical Service Providers (TSPs)</i> - One ToT (KAIZEN Based on Toyota Production System) was held for TSPs in July 2013. In addition, two internal training sessions which included some of the trainers of TSPs were held in April and July 2012. In total, 37 persons from external TSPs were trained so far. ○ <i>Productivity measurement</i>- JICA experts provided guidance in improving 'Productivity Statistics', the report by PCK, based on the data of KNBS. The results were shared amongst the key stakeholders and social partners namely: FKE, COTU, KNBS, MLSSS, who were also educated on their computation and usage. ○ <i>Productivity promotion</i> (lesson from Japan and Malaysia) - A team of three senior officers from governments and social partners visited Japan in January 2013 on strategic productivity promotion approaches. A team of five (5) senior government (policy level) will be sent Malaysia to learn the best practice of productivity policy and practices in Malaysia. ○ <i>Productivity promotion seminar</i>- A forum to disseminate results of the project was held in February 2013 at Hotel 680, drawing 	

	an audience of over 150 participants from government, academia, industries and general public.																																														
<p>MIN : 3/8/2013</p> <p>Findings of consultations on pilot companies</p>	<ul style="list-style-type: none"> The meeting was taken through a series of activities in pilot companies' consultation. PCK & JICA team sought the assistance of MIED and FKE in identification of the companies which would be pilots. It was indicated in the first year of the project, nine (9) companies were nominated to participate, out of which six (6) were selected. Of the selected companies, three (3) were large size and the rest small companies. It was indicated that, even among companies who had heard of Kaizen, there was little or no activities on kaizen theory and practices going on. Upon consultations, the results are as summarized below. <table border="1"> <thead> <tr> <th>Company Name</th><th>Kaizen theme</th><th>Improvement attained</th></tr> </thead> <tbody> <tr> <td rowspan="2">Super Manufacturers</td><td>Reduction of lead time in Bath Tub Assembly</td><td>0 %</td></tr> <tr> <td>5s Activities (Model area)</td><td>20 % up</td></tr> <tr> <td rowspan="2">Specialized Towel Manufacturers</td><td>Reduction of finished Foods Stock</td><td>46.9 % reduced</td></tr> <tr> <td>5S Activities(Model area)</td><td>30 % up</td></tr> <tr> <td rowspan="4">Supacosm Products</td><td>Productivity of Honey Assembly</td><td>100 % up</td></tr> <tr> <td>Peanuts Butter Assembly</td><td>214.6 % up</td></tr> <tr> <td>Soya Assembly</td><td>11.5 % up</td></tr> <tr> <td>5S Activities(Total factory)</td><td>30 % up</td></tr> <tr> <td rowspan="3">Vegpro(K)</td><td>Bean Assembly</td><td>56.5 % up</td></tr> <tr> <td>Reduction of Indirect wastes</td><td>39 % reduced</td></tr> <tr> <td>5S Activities (Model area)</td><td>30% up</td></tr> <tr> <td rowspan="2">Universal Corporation</td><td>Machine stoppage(ongoing)</td><td>0%</td></tr> <tr> <td>5S Activities (model area)</td><td>30% up</td></tr> <tr> <td rowspan="2">C & P Shoe Industries</td><td>Machine Stoppage (on-going)</td><td>0%</td></tr> <tr> <td>5S activities (model Area)</td><td>30%</td></tr> <tr> <td></td><td>Total</td><td>638.5 % improved</td></tr> <tr> <td></td><td>Average</td><td>106. % improved</td></tr> </tbody> </table> <ul style="list-style-type: none"> Further, the meeting was informed that second year consultation activities had been conducted with twelve companies referred by FKE and MIED. Among them, six (6) companies were selected namely: Greenforest Foods Ltd, Dawa Ltd, Rukuriri Tea Factory Ltd, Auto Springs Manufacturers Ltd, Windsor Golf Hotel and Country Club(Windsor Hotel) and Associated Vehicle Assemblers Ltd. More so, there was a general observation of the absence of kaizen activities in all the aforementioned companies. 	Company Name	Kaizen theme	Improvement attained	Super Manufacturers	Reduction of lead time in Bath Tub Assembly	0 %	5s Activities (Model area)	20 % up	Specialized Towel Manufacturers	Reduction of finished Foods Stock	46.9 % reduced	5S Activities(Model area)	30 % up	Supacosm Products	Productivity of Honey Assembly	100 % up	Peanuts Butter Assembly	214.6 % up	Soya Assembly	11.5 % up	5S Activities(Total factory)	30 % up	Vegpro(K)	Bean Assembly	56.5 % up	Reduction of Indirect wastes	39 % reduced	5S Activities (Model area)	30% up	Universal Corporation	Machine stoppage(ongoing)	0%	5S Activities (model area)	30% up	C & P Shoe Industries	Machine Stoppage (on-going)	0%	5S activities (model Area)	30%		Total	638.5 % improved		Average	106. % improved	
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MIN :	<ul style="list-style-type: none"> The meeting was informed of key issues analyzed and further implementation plan to meet the project targeted objectives. Key 																																														

<p>4/8/2013</p> <p>Analysis, Issue and Further Implementation Plan</p>	<p>issues analyzed include:</p> <ul style="list-style-type: none"> ○ The need for strong needs of assistance: <ul style="list-style-type: none"> ▪ Through pilot consultation, the needs for productivity improvement were reinforced ▪ There was sustenance of the 5S activities in the companies that participated in the year one of the project and further participated in KAIZEN activities ▪ Further assistance on productivity Improvement was sought from PCK by the pilot companies. ▪ Training of more TSPs required to achieve a critical mass of trainers/consultants. ▪ Enhanced sensitization on productivity movement ○ Necessity of sensitization on productivity indices <ul style="list-style-type: none"> ▪ There is need to provide reliable and accurate productivity indices and the importance of KNBS providing data consistently. ▪ There is need to enhance labour and management cooperation by providing productivity indices. ○ Embrace an integrated productivity improvement framework supported by the policy guidelines, productivity measurement, sensitization on productivity improvement accompanied with developing of technical service providers. <ul style="list-style-type: none"> • Further, the meeting was informed of the strategies that would be employed to sustain the momentum gained. These include: standardizing and maintaining the cycle of kaizen activities and enhancing the network with like-minded organizations. • The meeting was informed of key issues that have remained unresolved, which the improvement in staff number at the Centre, was precondition. As indicated, it affected the implementation of a component on productivity promotion. In addition, the project timeframe is limited to two (2) years, thus more require to be done. • Further implementation plan enumerated during the meeting included: <ul style="list-style-type: none"> ○ Productivity promotion through 5S ○ Observation Mission to Malaysia in Sept. 2013 ○ Study mission to neighbouring countries (Ethiopia and Tanzania) ○ ToTs for TSPs (three ToTs are tentatively scheduled) ○ Sensitization program on productivity indices to both FKE and COTU 	<p>PCK/JIC A Team</p> <p>MLSSS</p> <p>PCK/JIC A Team</p>
<p>MIN: 5/8/2013</p> <p>Way Forward</p>	<ul style="list-style-type: none"> • There was concern from the meeting that ToT for TSPs has not taken consideration of the organizations represented. However, the meeting was informed that a critical mass had been developed considering their key role in productivity improvement. • The slated study mission to Ethiopia and Tanzania seemed not appropriate, since these countries are low in terms of competitiveness while benchmarking should be done with the best. However, the meeting was informed Ethiopia was doing better in terms of productivity promotion and while Tanzania had some successful projects on productivity improvements supported by JICA. • MIED asked the possibility of training its enterprise development officers who mostly worked for SMEs. JICA Team replied that, if 	<p>PCK/JIC A Team</p>

	<p>they were trainers, there was the possibility to invite them to the ToTs. Other option was that PCK could provide the productivity sensitization program for its officers, as PCK had implemented it for Kenya Institute of Business Training (KIBT) and Professional Trainers Association of Kenya (PTAK).</p> <ul style="list-style-type: none"> • MDP proposed to sensitize the governors on productivity, in order that they "buy in" the concept. JICA Team and PCK requested to MDP for inviting their experts to the meeting of governors and they would make the presentation on productivity. • NESAC and National Treasury suggested the media should be used for productivity sensitization. 	
6/8/2013 Adjournment	<ul style="list-style-type: none"> • There being no other business, the meeting adjourned at 12:30 pm and the next meeting is scheduled for January, 2014. 	



Mr. Ali Noor Ismail,

Principle Secretary,

Ministry of Labour, Social Security and Services

Appendix 5-3

MINUTES OF THE THIRD JOINT COORDINATING COMMITTEE MEETING ON PRODUCTIVITY IMPROVEMENT PROJECT HELD ON 30TH JANUARY, 2014 AT 9:30AM AT CABINET SECRETARY CONFERENCE ROOM, 6TH FLOOR, NSSF BUILDING, BLOCK 'A' EASTERN WING.

Present	Designation	Organization
1. Ali Noor Ismail	Principal Secretary	Ministry of Labour , Social Security and Services (MLSSS)
2. Koji Noda	Senior Representative	Japan International Cooperation Agency(JICA)
3. Purity Kamau	Head, Productivity Centre of Kenya	MLSSS
4. Joseph M. Mbeva	Assistant Director of Industries	MIED
5. Samuel Kiptorus	Chief Economist	Ministry of Devolution And Planning
6. Anne Olubendi	Senior Program Officer	JICA
7. Takeshi Fujita	Expert	JICA
8. Katsutoshi Ikeda	Expert	JICA
9. Kazuyo Kaneko	Project Formulation Advisor	JICA
10. John Kariuki	Assistant Director	Vision 2030 Delivery Secretariat
11. Dr. Sugumaran M.	Expert	JICA
12. Go Ohga	Expert	JICA
13. Beatrice Onyando	Chief Manager, Strategy	FKE
14. Kolil Kosgey	Deputy Sec. Gen. KETAWU	COTU
15. James Kimani	Chief Productivity Officer	PCK
16. William Mogire	Chief Productivity Officer	PCK
17. Abdul Malek Aripin	Expert	MPC
18. Ayako Ishiwata	Policy and Institutions	JICA
19. Jared Aduwo	Senior Economist	PCK

Observers:

1. Tomoko Koseko	Coordinator	Embassy of Japan
2. Hiroshi Komatsuzaki	Executive Director	JETRO Nairobi Office

Agenda

1. Welcome Remarks by Mr. Ali Noor Ismail, Principal Secretary, Ministry Of Labour, Social Security and Services
2. Remarks by Mr. Koji Noda, Senior Representative, JICA Kenya Office
3. Introduction of the members of JCC
4. Results of the project
5. Findings of the consultation on pilot companies
6. Priority Action Plans
7. Recommendations
8. Discussions
9. Way forward
10. Any other business

MINUTE	EVENT	ACTION BY
MIN : 1/1/2014 Opening remarks by Mr. Ali Noor Ismail, Principal Secretary	<ul style="list-style-type: none"> • The chair welcomed members to the meeting and appreciated the Japan International Cooperation Agency (JICA) for technical support accorded to the Ministry in the last two years on Productivity Improvement. Noting the support had gone a long way to capacity build the Productivity Centre of Kenya, a further extension of the Support would be discussed during a planned courtesy visit by His Excellency the Ambassador of Japan to the Cabinet Secretary;. The Chair further noted the objectives of the Project were overall achieved despite some components lagging. The main activities of the project were: <ul style="list-style-type: none"> ■ Study on Policy and organization building of PCK ■ Consultation for pilot companies ■ Training of Trainers for Technical Service Providers ■ Productivity measurement ■ Study on productivity promotion applicable to Kenya ■ Productivity promotion seminar <p>Moreover, Japanese Government has had a cordial relationship with Government of Kenya as demonstrated by support extended to the Ministry in other areas.</p> <p>The chair further expressed the satisfaction on the structure of the Technical Cooperation and believed it contributed to the achieved being celebrated. The chair expressed optimism that project had created good partnership with participating Ministries and other stakeholders.</p>	

	<p>Subsequently, the Chair indicated the Ministry will continue to support the productivity management with the following measures:</p> <ul style="list-style-type: none"> ○ Press the National Assembly to pass the National Productivity Authority Bill, 2013 to allow for the establishment of National Productivity Authority. The enactment of National Policy on Productivity is top priority for the Ministry. ○ With the completion of the government staff rationalization, some staff will be deployed to PCK to boost the staff capacity. ○ Capacity building of PCK staff remains top priority. ○ Support of more pilot sites as demonstrations for improved productivity. ○ Development of training materials. <p>Lastly, the chairman noted that productivity management is considered new in Kenya as it was not well aware due to lack of understanding. He hoped in future, the current situation will change.</p>	
<p>MIN : 2/1/2014 Remark by Mr. Koji Noda, Senior Representa tive, JICA Kenya Office</p>	<p>The Senior Representative, JICA Kenya office appreciated the Ministry of Labour, Social Security and Services for the successful completion of the project. He expressed optimism that JICA's technical cooperation had contributed to the achievement of mandate of PCK. He indicated the results of the technical cooperation is fairly satisfactory as follows:</p> <ul style="list-style-type: none"> • The twelve (12) Pilot sites progressed on well • Skills transfer as part and parcel of human resources development <p>However, the Senior Representative pointed the following critical areas that need to be addressed:</p> <ul style="list-style-type: none"> • Press for the enactment of the National Policy on Productivity • Increase in the staff capacity • The developed Priority Action Plans (PAPs) by JICA project team is good piece that broadly touched on key result areas be implemented for sustainability. 	
<p>3/1/2014</p>	<p>The meeting was taken through the membership of Joint Coordinating Committee (JCC) as below:</p>	

	<ul style="list-style-type: none"> I. Ministry of Labour, Social Security and Services II. Ministry of Industrialization and Enterprise Development III. Ministry of Devolution and Planning IV. National Economic & Social Council (NESC) V. National Treasury VI. Vision 2030 Delivery Secretariat VII. Federation of Kenya Employers (FKE) III. Central Organization of Trade Unions (COTU) IX. Kenya National Bureau of Statistics (KNBS) X. JICA Kenya Office and Project Team XI. Productivity Centre of Kenya (PCK) <p>Observers</p> <ul style="list-style-type: none"> I. Embassy of Japan II. JETRO, Nairobi Office 	
<p>MIN : 4/1/2014</p> <p>Results of the Project</p>	<p>It was reiterated that the following were the main objectives of the TC with the respective results and summarizes on each:</p> <ul style="list-style-type: none"> ■ Study on Policy and organization building of PCK <ul style="list-style-type: none"> ➤ Assistance for making the draft of National Productivity Policy & National Productivity Authority Bill. Results achieved Review of draft national policy on productivity and National Productivity Authority bill was undertaken. It received cabinet approval and now in Parliament awaiting enactment ➤ Drafting the PCK Strategic Plan A draft Departmental Strategic Plan, 2013-2017 was developed in line with National Agenda and MTP II, 2013-2017 ➤ Making the Priority Action Plan (PAP)s after the project Ten (10) PAPs was developed and agreed upon for sustaining the project activities. ■ Consultation for pilot companies <ul style="list-style-type: none"> ➤ Completing consultation for 12 pilot companies in two years Twelve companies namely; Supacsm Products Ltd, CP shoes Industries, Specialized Towels Ltd, Super Manufacturers, VegroLtd, Universal Corporations Ltd, Greenforest foods Ltd, Dawa Ltd, Rukuriri Tea Factory Company Ltd, Auto Springs Manufacturers Ltd, Windsor Golf Hotel and Country Club(Windsor Hotel) 	

and Associated Vehicle Assemblers Ltd. The average improvement ratio was 106% for the first year and 228.9% for the second year.

- Training PCK consultants through on-the-Job Training
All PCK technical staffs were responsible for individual companies and through same medium Kaizen knowledge based Toyota production system was passed on via on-the-job training. PCK's technical officers have developed practical capacity and experience in consultation activities on productivity improvement.
- Developing consulting manual and case sheets
- A draft consulting manual was developed.

■ Training of Trainers for Technical Service Providers

It was reported the following took place at PCK Boardroom and KIBT training room on diverse dates.

Description	Time	Hours/ each time	Total time
CP training classroom training	5	5.66	28.3
Selection of Pilot Companies	21	3	63
Consultation	90	3	270
CP meeting/ Additional Training	46	1.11	51
Follow up visit of consultaion	4	3	12
Observation of TOT on kaizen	14	6	84
Total			508.3

■ Productivity measurement

- Assisting for improving "Productivity Statistics 2013"

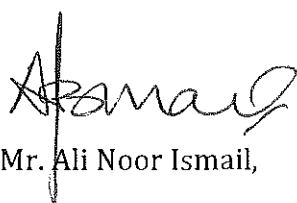
Reviewed the Kenya Productivity Statistics, 2013

- Holding two Workshops with FKE, COTU, KNBS, MLSSS

Held workshops to expose the above stakeholders on utilization of productivity statistics.

	<ul style="list-style-type: none"> ■ Productivity promotion applicable to Kenya <ul style="list-style-type: none"> ➤ Introduction of 5S Promotion in Malaysia Expose PCK staff on the 5S promotion in Malaysia and possible introduction of 5S certification ➤ Needs Study on 5S Promotion ➤ Pilot 5S audit: <ul style="list-style-type: none"> Conducted 5S audit in pilot sites including Productivity Centre of Kenya. ➤ Recommendation on 5S sensitization ■ Productivity promotion seminar <ul style="list-style-type: none"> Held two major seminars on Kaizen in Sentrim680 and Laico Regency in Nairobi and over 400 participants attended in total. 	
MIN : 5/1/2014 Findings in consultation on pilot companies	The meeting was taken through the results achieved in pilot sites where over 600 percent productivity improvement was realized.	
MIN : 6/1/2014 Priority Action Plans	The meeting was taken through the following PAPs <ol style="list-style-type: none"> 1. Implementing National Productivity Campaign 2. Integrating into the Education Curriculum 3. Increasing the Number of productivity Experts 4. Developing Materials for Best Practices and Tools 5. Enhancing Consultation Services at the Firms 6. Packaged managerial training/guidance to MSEs 7. Enhancing Productivity in the Public Sector 8. Productivity Improvement in the Counties 9. 5S Sensitization 10. Improve Supply & Use of Productivity Statistics 	
7/1/2014 Recommendations	The meeting was informed that for the country to sustain productivity movement, the PAPs be implemented besides the placement of additional staff in PCK	

8/1/2014 Discussions	<p>The following issues were discussed:</p> <ol style="list-style-type: none"> That the indicators were based on guiding references of the national agenda-Vision 2030 and MTP II That Japan/Malaysia integrated productivity knowledge in the education sector and created productivity culture from childhood. That the Technical Cooperation cost has not been captured in Government planning documents. Collaboration among government institutions was the way to go in promoting productivity knowledge Productivity issues be brought in intergovernmental meetings organized by the Ministry of Industrialization and Enterprise Development. 	
9/1/2014 Wayforward	<p>The government will prioritize the following:</p> <ol style="list-style-type: none"> Enactment of National Policy on Productivity and National Productivity Authority Bill Place appropriate staff in PCK. Create linkages with other institutions as proposed Look at ways and means of utilizing existing capacity to avoid wastage. Push for phase two of the Technical Cooperation 	MLSSS
10/1/2014 Any Other Business	There being no other business, the meeting ended at 11:30am	



Mr. Ali Noor Ismail,

Principle Secretary,

Ministry of Labour, Social Security and Services



Republic of Kenya

SESSIONAL PAPER NO. 3 OF 2013 ON NATIONAL PRODUCTIVITY POLICY

MINISTRY OF LABOUR, SOCIAL SECURITY AND SERVICES



FOREWORD

Kenya aspires to acquire a globally competitive middle-income country status by the year 2030 in accordance with the *Kenya Vision 2030*. **However, the country's economic performance and level of global competitiveness remains low relative to the global benchmarks.** The main factors for this underperformance include poor technology, inadequate technical skills and unfavourable comparative trading factors, such as relative prices of inputs and outputs. **Kenya's economic performance has been** unstable since attaining political independence in 1963. The country transited from a high growth path of more than 5 percent in the 1960s, 1970s and 1980s to a low growth path in the 1990s to early 2000s.

The impressive post-independence growth was anchored on exploitation of the technological opportunities availed by the Green Revolution in agriculture (high-yielding crop varieties, fertilizer application and irrigation technology), goodwill by donors, favourable terms of trade and the optimism expressed by Kenyans to harness its resources as a free state. In agriculture, which is the mainstay of the Kenyan economy, the endogenous factors responsible for productivity growth are intensity of fertilizer use, the extent of improved seed usage, as well as socio-demographic characteristics (e.g. the education of household decision makers, age and gender structure of the household) and access to farm credit.

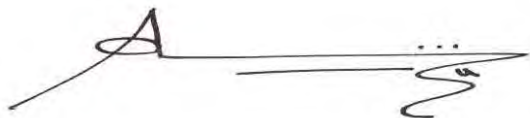
After the turbulent global and domestic economic reform challenges precipitated by liberalization during the early 1990s and 2000s, economic growth improved from 0.5 percent in 2002 to 2.9 percent in 2003, reaching a high of 7 per cent in 2007 following on implementation of the *Economic Recovery Strategy for Wealth and Employment Creation* policy blueprint. This performance, however, dropped to 1.5 per cent in 2008 following the 2007/2008 post election violence, but picked up thereafter to reach 5.6 percent in 2010. The *Kenya Vision 2030* envisions a growth rate of 10 percent per annum from 2012 to 2030, anchored on extensive infrastructural and institutional and socio-political reforms and developments.

Consistent with the country's economic performance, Kenya's multifactor productivity has been constant at less than one percent since independence. At the same time, the country's level of competitiveness has been low and declining. In 2010/2011, Kenya ranked position 106 out of 139, just marginally ahead of Tanzania and Uganda but below comparative African and South East Asian countries in terms of productivity. Reminiscent of the trends in the country's economic growth and global competitiveness, Kenya has not been able to create adequate productive and durable jobs to absorb the country's increasing labour force. Employment creation within the formal sector is fast dwindling while the informal sector that accounts for about 81 percent of the country's employment is increasingly getting saturated despite its jobs being precarious in nature.

The role of productivity in promoting competitiveness, employment creation, rapid economic growth and the transformation envisaged in the *Kenya Vision 2030* and the Kenya Constitution 2010 cannot be gainsaid. Kenya has had many productivity improvement initiatives in the past. However, these measures have been piecemeal in nature, lacked focus, were poorly coordinated and hardly implemented, and hence could not create the desired sustainable impact. Further, there has never been a comprehensive policy, legal and institutional framework to guide and steer productivity management initiatives in the country.

This Sessional Paper on National Productivity Policy presents the paradigm shift required for productivity management in the country. It contains specific and targeted interventions, which when effectively implemented, would contribute considerably towards the achievement of the goals of *Kenya Vision 2030* and the Kenya Constitution 2010. Some of the key proposals in the policy include the establishment of a National Productivity Authority (NPA) to facilitate inter-sectoral coordination of policy and programmes initiatives of public and private sectors, and enactment and implementation of a Productivity Management Act to underpin all the productivity management efforts in the country.

It is important to point out however, that developing and implementing a policy are two different things. Achieving sustainable change in national productivity and competitiveness envisioned in this policy document will invariably depend on the extent to which the policies are implemented. It goes without saying that effective implementation of this policy is hinged on support, active participation, and cooperation of everybody and all relevant institutions in the country. I therefore call for sobriety, creativity and innovative approaches in the process of achieving this noble vision.



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Acronyms

AG	Attorney General
AU	African Union
APO	Asian Productivity Organization
ASEAN	Association of South East Asian Nations
BNPC	Botswana National Productivity Center
CBOs	Community Based Organisations
CHE	Commission for Higher Education
CAD	Computer Aided Design
CAM	Computer Aided Manufacturing
CAPP	Computer Aided Process Planning
COTU (K)	Central Organization of Trade Unions (Kenya)
DOHSS	Directorate of Occupational Safety and Health Services
ERP	Enterprise Resource Planning
FBOs	Faith Based Organisations
FKE	Federation of Kenya Employers
GDP	Gross Domestic Product
GOK	Government of the Republic of Kenya
GRC	Global Competitive Report
ICT	Information and Communications Technology
ILO	International Labour Organisation
JICA	Japan International Corporation Agency
JPC	Japan Productivity Center
KAM	Kenya Association of Manufacturers
KEPSA	Kenya Private Sector Alliance
KIE	Kenya Institute of Education
KNBS	Kenya National Bureau of Statistics
KNCP	Kenya National Cleaner Production Center
LMC	Labour Management Cooperation
LMIS	Labour Market Information Systems
M&E	Monitoring and Evaluation
M&ED	Monitoring and Evaluation Directorate
MoALF	Ministry of Agriculture, Livestock and Fishery
MoE	Ministry of Education
MoES&T	Ministry of Education, Science and Technology
MoH	Ministry of Health
MoLSSS	Ministry of Labour, Social Security and Services
MoDP	Ministry of Devolution and Planning
MoICNG	Ministry of Interior and Coordination of National Government
MTP	Medium Term Plan
NESC	National Economic and Social Council
NEMA	National Environmental Management Authority

NGOs	Non Governmental Organizations
NLB	National Labour Board
NPO	National Productivity Organization
NPP	National Productivity Policy
NT	National Treasury
OEE	Overall Equipment Efficiency
OP	Office of the President
OVI	Objectively Verifiable Indicator
PAA	Productivity Agenda for Africa
PAPA	Pan African Productivity Association
PCK	Productivity Centre of Kenya
NPA	National Productivity Authority
R&D	Research and Development
SADC	Southern African Development Community
VDS	Vision Delivery Secretariat
WCPS	World Confederation Productivity Science

CHAPTER ONE: INTRODUCTION

1.1 Background

Kenya aspires to achieve a globally competitive middle-income country status offering high quality of life by the year 2030. Attainment of this aspiration is hinged on the **country's ability to achieve rapid and sustainable** economic and productivity growth. Productivity is a major determinant of competitiveness as it is capable of driving high and sustained economic growth, and the transformation envisaged in the *Kenya Vision 2030* and the Kenya Constitution 2010.

Productivity is defined as a relationship between inputs and outputs in the production of goods and services. Socially, productivity is viewed as an attitude of mind which seeks to continually improve what already exists; a belief that one can do things better today than yesterday and better tomorrow than today.

Productivity is also the efficiency and effectiveness with which factors of production are combined and utilized in an economically and environmentally sustainable manner to produce quality and cost effective goods and services. Productivity is essential in raising **welfare and a country's level of** competitiveness. Higher levels of productivity are associated with higher economic growth, employment creation, increased incomes, better use of resources, increased market competition, better working conditions and high quality of life. This is evident from developed and the newly industrialized countries of South East Asia that have managed to achieve higher and sustainable levels of productivity and competitiveness.

Kenya has in the past made several attempts aimed at promoting productivity. Some of these initiatives are contained in the first National Development Plan (1964-1970); Wage Guidelines (1973-2005); Sessional Paper No. 1 of 1986 on *Renewed Economic*

Growth; National Development Plan (1997-2001); *Economic Recovery Strategy for Wealth and Employment Creation* (2003-2007); *Kenya Vision 2030* and its first Medium Term Plan (2008-2012). The Kenya Constitution 2010 also puts a case for improved productivity as a means of attaining high quality of life for the citizens. Article 41 of the Constitution on the Bill of Rights, for example, provides for fair remuneration and the right of a worker to reasonable working conditions. Article 230 emphasizes the need to recognize productivity, performance, transparency and fairness in remuneration.

Kenya is faced with low productivity levels with a total factor productivity index of less than a unit. Consistent with this, the country's labour and capital productivity indices were 0.84 and 0.46 respectively in 2009. This is in contrast with the benchmark of a productivity index of at least 5 for global competitiveness. The implication is that Kenya's competitiveness is low. For example, Kenya's ranking on global competitiveness stood at 106 out of 144 in 2012/2013. Kenya is ranked behind Tunisia, South Africa, Mauritius, Egypt, Morocco, Namibia, Gambia, Algeria, Libya and Senegal in terms of global competitiveness. Within East Africa, the country is marginally ahead of Tanzania and Uganda while it lags far behind the South East Asian countries that it aspires to benchmark herself with.

Generally, productivity has been incorrectly equated to production; that it only benefits the employers; is applicable to blue collar job workers; that productivity improvement leads to loss of jobs; and is just a means of working harder. However, productivity is about efficiency in resource utilization in the production of quality goods and services. Productivity leads to increased production with available resources and also leads to job creation and retention.

1.2 Scope of the Policy

The policy addresses the multiple challenges impending productivity advancement in the economy under four pillars namely: productivity culture; labour market

development; technological change and innovation; and institutional and legal arrangements. The policy also provides a Monitoring and Evaluation mechanism for effective implementation of the stated strategies and programmes.

1.3 Rationale for Developing a Productivity Policy

Whereas Kenya has implemented several productivity improvement interventions in the **past, the country's level of productivity remains dismally low and is responsible for the** low, unstable and unsustainable economic growth. According to United Nations statistics, industry value added (as percentage of GDP) had declined from 19 in 1990 to 15 in 2009; against South Africa at 31 and the global best, Singapore, maintained at 35.

Other measures such as consumption expenditure have improved 4 times over the 20 year period for other countries while that of Singapore has increased 7 times. The final consumption expenditure in Kenya in 2009 compares with that of Singapore 20 years earlier. The previous productivity improvement interventions lacked focus, were non-comprehensive, poorly coordinated and hardly implemented. The country also lacked policy, and legal and institutional framework to anchor the productivity initiatives and provide the required impetus for effective productivity management in the country.

This Sessional Paper on National Productivity contains specific measures that will be undertaken to address the past weaknesses. The ultimate goal is to guarantee increased global competitiveness, creation of productive and sustainable jobs, rapid economic growth and high standards of living for all Kenyans.

CHAPTER TWO: SITUATION ANALYSIS AND CHALLENGES

2.1 Past Productivity Promotion Initiatives

The Kenya Government has, since attaining political independence in 1963, recognized the vital role of productivity in promoting economic growth, employment creation, improvement in the standards of living and overall national development and prosperity. Several attempts have been made, at a policy level, to improve productivity at various levels and sectors of the national economy.

The country's first National Development Plan, the Wage Guidelines and the Sessional Paper No. 1 of 1986 all underscored the need for productivity promotion in enhancing enterprise and organizational competitiveness. The 8th National Development Plan (1997-2001) put a case for integrating productivity in wage determination. It advocated for establishment of a productivity centre to champion productivity improvement, and removal of labour market rigidities and distortions, especially wage guidelines. The *Economic Recovery Strategy for Wealth and Employment Creation* (2003-2007), the *Kenya Vision 2030* and its *Medium Term Plan* (2008-2012) emphasize the need for **mainstreaming productivity in all sectors of the country's economy**. The policy blueprints recognize the role of productivity in promoting global competitiveness, achieving high and sustained economic growth and creating productive and durable employment opportunities. The policy documents also affirm the commitment of the Government, social partners, the private sector and other stakeholders to productivity promotion.

At the institutional level, the government in collaboration with other social partners established (in 2002) the Productivity Centre of Kenya to champion productivity management activities in the country. This is an institution which is registered under the Companies Act, Cap 486 and is co-sponsored by GOK, FKE and COTU (K), but it is grossly underfunded.

The foregoing initiatives and policy measures did not however, create the desired impact. The dismal impact was attributed to poor policy design; piecemeal interventions; weak coordination; and absence of policy, legal and institutional framework to anchor the productivity improvement initiatives and to provide strategic direction on productivity management and its supporting systems in the country.

2.2 Kenya's Productivity Status

Productivity level is an indicator of a **country's** competitiveness and its prosperity status. Countries that have embraced productivity practices develop their ability to produce quality goods and services at costs that meet the test of domestic and international markets, while promoting and maintaining high standards and quality of life of their **people. In today's liberalized markets, productivity and quality improvements reinforce** each other to become potential sources of **a country's** socio-economic competitiveness.

At the national level, Kenya suffers from three main problems namely: inadequate adoption of productivity management standards and practices; lack of knowledge in productivity and management techniques; and absence of a national integrated institutional framework for productivity promotion and management. Consequently, **Kenya's productivity level** has remained relatively low at a multi factor index of 0.84 compared to the emerging economies of South East Asia whose average productivity index is in the range of 5. In addition, **Kenya's labour productivity index increased** marginally from an index of 1 in 2001 to 2.38 in 2011 as compared to an index of 12.5 for the United States of America, 7.6 for Japan and 5.3 for Malaysia.

Kenya's capital productivity improved slightly from index of 0.2 to 0.6 during the same period. The low capital productivity index for the country implies non attainment of the optimal equipment efficiency in installed machinery and equipment. Use of obsolete machinery coupled with mis-match between the skills possessed by workers and those required by industry, and low adoption of modern technology further explain the **country's inability to attain desirable levels of overall equipment efficiency. Kenya's low**

labour productivity is attributable to poor work attitudes and ethics, non-conducive working environment, low adoption of productivity enhancing tools, and poor labour-management partnerships.

The implication is that the country has continued to be held in a low productivity trap manifested by low purchasing power, low capacity utilization, limited capital formation, and sluggish productivity growth, rising domestic prices and unit costs, and spiral agitation for wage increments. With regard to wage formation, while the government has endeavored to mainstream productivity in wage determination through issuance of wage guidelines, the same has not been achieved. This is linked to the fact that labour market players still do not share similar understanding and conviction about productivity and its role in driving competitiveness, employment creation and guaranteeing the interest of investors, employers, employees and their families.

2.3 Economic Growth

Kenya experienced a persistent decline in her economic growth for most of the years since attaining political independence in 1963. The country transited from a high growth path in the first decade of independence to a low growth path up to early 2000s. This trend was reversed in 2003 when the economy realized a growth rate of 2.9 percent up **from 0.5 percent in 2002. The country's performance peaked in 2007 at 7 per cent** before declining to 1.5 per cent in 2008. **In 2010, Kenya's economy grew at 5.6 percent as compared to 2.6 percent in 2009. The subdued nature of the country's** performance is attributed to low productivity attainments, high cost of production relative to contemporary countries, limited value-addition and weak competitiveness of **the country's goods and services. Kenya aspired** to scale up its growth rate to 10 percent per annum by 2012 and sustain it at that level for the remaining period of the *Kenya Vision 2030* horizon. Achievement of this goal, however, requires effective mechanisms for undertaking productivity management.

2.4 Employment Creation and Retention

Creation of productive and sustainable employment opportunities remains an underlying principle of productivity enhancement which is in line with improving productivity without reducing employment in the long run. In Kenya, about 30 percent of the total formal employment are casual employees who are deprived of long-term benefits of service, which negatively affects employee motivation towards productivity **improvement interventions. The situation is even in Kenya's large informal sector which accounts for over 81 percent of the country's employment. Jobs in the informal sector** are insecure and indecent, characterized by job insecurity, poor wages and terms and conditions of employment, absence of institutionalized social protection mechanisms, weak safety and health standards, low job tenure and lack of representation. This suggests that informality remains a major productivity trap in Kenya and requires targeted productivity enhancement interventions.

2.5 Challenges to Productivity Management

Kenya's low levels of productivity can be attributed to various factors. These include lack of productivity consciousness and awareness; weak human resource base; weak labour-management partnership; poor work environment, and absence of a framework to guide productivity measurement and compensation. Other factors are low prioritization of research and development, slow adoption of modern technology, weak and inhibitive legal and regulatory framework, and absence of a policy and institutional framework to guide productivity improvement efforts.

2.5.1 Lack of Productivity Culture

Presence of a productivity culture in the work force is critical for sustained productivity growth. However, across the work force, in both the private and public sector, productivity culture is characterized by poor work ethics as manifested by lack of time management as well as waste of other resources. In this regard, the majority of the

Kenyan population including public and private sector organizations is hardly conscious of the need to understand and appreciate the norms of productivity parameters. Efforts towards inculcating a productivity mindset have been initiated through the performance contracting initiatives albeit with resistance widely encountered. In many organizations, the concept is being equated with contemporary exploitive management practices which is untrue. In addition, there is lack of common vision and understanding of productivity, inadequate information about improvement approaches, and low levels of cooperation among social partners on improvement initiatives with resultant low prioritization of productivity enhancing techniques. Further, there is lack of integration **of productivity matters in the country's** education and training systems, at the formative stage of childhood which is critical in building national values for a productive future workforce. Old stereotypes that value office (*`white-collar`*) jobs and gender biases and, by default, debase technical and manual tasks hamper prioritization of science and technical education and skills in the education curriculum across the entire education sector.

2.5.2 Weak Human Resource Base

Effective human resource planning, development and utilization are imperative for productivity improvement and competitiveness. Even though Kenya has a large pool of educated workforce, **the country's labour force lacks key skills**, ingenuity and creativity required for effective productivity mainstreaming. The majority of Kenyan workers lack appropriate and relevant skills, with most of the skills being out of tune with industry **demands. At the same time, some of the country's workers manifest inadequate** practical work skills, and are unable to relate and translate theory to practice.

2.5.3 Weak Labour-Management Partnership

Kenya suffers from weak labour-management partnership. This is manifested in lack of trust between labour, management and their representatives; non-inclusion of workers in decision making, poor communication structures and information asymmetry. This

state of affairs inhibits creativity and innovativeness, undermines commitment and affects productivity. Hence the priorities and actions of each of the three parties in the work system tend to be in disharmony and, often, operate antagonistically to the **detriment of the organization's overall objective.**

2.5.4 Rampant Job insecurity

Continued employment in a job is a prerequisite for productivity improvement practices. It creates experience, nurtures employee creativity and harmony, and brings worker contentment necessary for engaging in productivity improvement. However, a large proportion of private sector employers engage workers on intermittent, temporary or casual terms in contravention of the Employment Act, 2007. Because of the latent **threat to employment security, workers 'feel' no need to engage in any productivity improvement programme.** Further, any changes or constructive suggestions are withheld or resisted as workers foresee no long-term **benefits nor 'feel' being part of** the establishment. Job insecurity tends to put workers on their toes all the time, looking forward to exit to other livelihood opportunities while treating their current appointment as transitory.

2.5.5 Poor Work Environment

The work environment in many workplaces in the country is generally cluttered and characterized by poorly furnished work stations. This compromises on the occupational safety and health of workers, which impacts directly on the cost of production, productivity and quality of working life.

2.5.6 Lack of Productivity Measurement

Productivity measurement is the first step in effective productivity management and competitiveness. Kenya lacks a robust framework for measuring productivity at enterprise, sectoral and national levels. Moreover, the country does not have a system of performance benchmarking and productivity-based reward mechanism that would

induce productivity improvement in all sectors of the economy. This is partly attributable to lack of academic training on productivity, a system of imparting life skills, workplace based productivity training and knowledge on productivity measurement techniques and integration or mainstreaming of productivity in wage determination. The challenge of productivity measurement and compensation criteria is also aggravated by lack of adequate, reliable, relevant and up to date productivity databases. At the same time, there is no comprehensive framework for formalized collection, collation, analysis, retrieval and dissemination of relevant productivity indicators. This has led to individual, *ad-hoc* and uncoordinated mechanisms for collecting and analyzing productivity data. Further, most organizations, particularly in the private sector, are not willing to release information to other agencies that is necessary for productivity analysis for fear of exposing their niche strengths to competitors. Besides, the Kenya National Bureau of Statistics does not collect all the necessary data required for productivity analysis. This state of affairs has frustrated efforts towards undertaking effective and meaningful productivity improvements in the country.

2.5.7 Low Prioritization of Research and Development

Broad based productivity-driven research and development (R&D) is critical for productivity improvement and competitiveness. Kenya has, for a long time, suffered from low prioritization of R&D. This has cumulatively led to the current status of low innovation and inventions. The low prioritization of R&D is manifested in terms of low funding of R&D activities by both the Government and the private sector. Public spending on R&D stood at a paltry 0.05 percent of GDP in 2010 which is low based on the global best practices of a minimum of 1 per cent. At the same time R&D in the country is mainly undertaken by the Government with little contribution from the private sector. Further, there is weak linkage between production/service enterprises and research institutions to inform on research needs and a system for disseminating and absorbing the research output. This means that there is scope to improve in this area because Kenya is reported to rank at position 45 in the world in terms of innovations.

2.5.8 Slow Adoption of Modern Technology

Modern technology is one of the enablers of productivity and competitiveness. Kenya's productivity and competitiveness has been greatly undermined by failure of the country or its slow pace to embrace new technology, methods, products and processes. The slow pace in technology adoption is attributed to inadequate institutional capacity to support adoption and absorption of modern technology; high cost of technology; lack of information on existing technologies and their potential in increasing productivity and competitiveness.

2.5.9 Lack of Legal and Institutional framework

Kenya has a tripartite Productivity Centre that was established in 2002. The Centre is established as a Company limited by guarantee but operates as a department of the Ministry of Labour. The legal status of the Centre makes it difficult for it to attract budgetary resources from the Treasury. It also limits the **Government's ability to deploy** the requisite human resources to the Centre. At the same time, the social partners who jointly established the Centre have been unable to financially support the activities of the Centre. The operational set up of the PCK as a department of the Ministry of Labour constrains it in attracting funding, restricts its flexibility in executing its mandate and lowers acceptability of its outputs by other stakeholders.

In Financial Years 2009/2010 and 2010/2011, the Centre was allocated Kshs 11 million and, Kshs 28 million respectively with no contributions from the other two social partners. Currently, the Centre has a staff strength of nine (9) officers, five (5) of whom are technical, against an approved staff establishment of eight six (86) officers. As a result the Centre is constrained in fulfilling its mandate. Despite these limitations, the Centre developed 15 model companies and trained 150 technical service providers country wide in the 2010/2011 financial year. With an appropriate institutional framework and requisite fiscal and human resources, the Centre is capable of creating

the necessary critical mass of productivity practitioners and packages for productivity and competitiveness take-off in the country.

2.5.10 Best Practices in Productivity Institutional Framework

Countries that have attained enhanced economic growth and competitiveness have established National Productivity Organizations (NPOs) to spearhead the productivity improvement agenda. NPOs are formed under different legal frameworks depending on **a country's development** level. Countries that have attained substantial strides in productivity management have had their NPOs given autonomy in their operations in addition to adequate financial and human resources. These are legal entities established either through a Decree or an Act of Parliament. These NPOs are either established as Corporations such as in Malaysia, Authorities as in Australia and New Zealand, Councils as in India and Mauritius, Centers as in Japan and the UK, Institutes as in South Africa, Boards as in Singapore, or Development Academies as in Philippines. Notwithstanding their legal status, these NPOs have had substantial financial support by their respective national governments despite their huge financial outlays. This underscores the role of governments in establishing and funding of NPOs. The world over it is proven that productivity pays; hence the conviction that investing in productivity management brings over 50 percent net returns to any institution annually.

2.5.11 Productivity Mindset Change

There is a general belief that productivity is un-measurable in the public sector which provides services, yet productivity is related to quality and therefore plays a key role in the quality of services rendered which are quantifiable and is therefore measurable. This policy recognizes that changing the negative mind set about productivity will go a long way in improving the quality of services in the public and private sectors. This will be achieved through intensive publicity campaigns involving both public and private sector.

CHAPTER THREE: PRODUCTIVITY POLICY FOR KENYA

3.1 Introduction

The Kenya government recognizes the critical role of productivity in realizing the aspirations of the *Kenya Vision 2030* and Kenya Constitution 2010. However, productivity management in the country has to undergo a paradigm shift if it has to fully contribute in actualizing these aspirations. This policy has been developed through a participatory process involving the relevant stakeholders as shown in Annex (v).

3.2 Objectives of the Policy

The Government is responding with measures to accelerate economic growth through productivity growth and high investment. Specifically, the objectives of the policy are to:

- (i) **Achieve Kenya's** incremental productivity growth of 5 percent per year from the current level of less than one per cent;
- (ii) Move towards improving **the country's** productivity levels, with the public and private sector expected to achieve 4.5 and 5.5 percent productivity growth per annum respectively as a contribution to achieving the annual target growth in productivity¹. This is expected to enable the country achieve its overall real GDP growth target of 10 percent annually as envisioned under the Kenya Vision 2030; and
- (iii) Increase productivity awareness and consciousness level in the country from the current level of about 1 percent to 60 percent of the population by the year 2030.

¹Annual labour productivity growth (average of 2007-2011): China 10.5%, India 6.2%, Vietnam 4.8%, Malaysia 4.0%, Indonesia 3.6%, Thailand 3.3%.

3.3 Guiding Principles of the Productivity Policy

This policy framework shall be guided by the following principles so as to ensure its success:

- (i) Promotion of National values;
- (ii) Customer focus by total quality improvements;
- (iii) Innovation in Management and Technology
- (iv) Requisite investments in R&D
- (v) Fair distribution of productivity gains
- (vi) Modernization of labour management relations; and
- (vii) Employee involvement and human resources development.

3.4 Productivity Management Policies and Programs

Global competitiveness is pegged on 12 pillars which are used to measure comparative country rankings. These pillars are; institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation. Based on these **indicators, Kenya's overall Global Competitiveness Index** ranking in 2010-2011 was 106 out of 139 ranked countries.

In recognition of this low ranking, this policy outlines initiatives to be implemented **aimed at improving the country's global competitiveness index. This will be achieved** through the multi-stakeholder involvement in undertaking the interventions specified in the document and summarized in the implementation matrix. Specifically, this policy **paper identifies programs aimed at improving the country's productivity** at the national and sector levels, setting standards for benchmarking, and anchoring the Policy as a flagship project of the *Kenya Vision 2030* as well as its implementation through the *2nd Medium Term Plan* (2013-2017) and annual Performance Contracts. Further, the policy

will adopt a cluster approach to competitiveness which brings together Government, business firms, research institutions and academic institutions in enhancing productivity growth, nurturing competitive advantage, enhancing value addition and increasing international outreach among others.

In recognition of the challenges currently facing productivity improvement, the Office of the President shall play a pivotal role in entrenching productivity in the public domain.

3.4.1 Pillar 1: Productivity Culture

A strong productivity culture in the work force is a key driver for efficient and effective resource use. To promote productivity awareness and ingrain productivity practices as a way of life, the Government will spearhead a National Productivity Campaign as a Strategy to reinforce the productivity agenda in all sectors of the economy.

In addition, the educational system has the greatest potential to mould the citizenry into a productive workforce through better structural orientation especially at the early formative stages. The quality of the scientists doing research, the engineers planning new products and methods, and the managers, administrators and workers operating enterprises and the public service organizations all depend on the education system to instill productivity values. Through educational reforms, the Government will integrate basic elements of productivity and related values in education curriculums to better prepare children at the formative stage and graduates at all levels, to the realities of a productive life.

Training programs outside the formal education system play a critical part to productivity improvement by providing skills to the labour force. The Government will encourage the mainstreaming of Productivity training in the skills upgrading programs.

3.4.2 Pillar 2: Labour Market Development

The country has a labour force with varying levels of formal education and skills currently working in all sectors of the economy. However, this labour force is lacking in

full commitment, ingenuity and practical skills albeit the theoretical skills and knowledge earned in schools and colleges. Therefore, the country needs a dynamic labour force which is creative, flexible, competent, multi-skilled, better informed, technology oriented, and enjoying job protection and decent employment; critical to the realization of the full potential of the **country's human resource** stock.

In addressing these issues, the policy proposes the following: the need by management to recognize the knowhow, ingenuity, and imagination of employees. As stakeholders, labour, management, and private investors who commit themselves to improve productivity should understand the criteria to be used in sharing the productivity gains. As partners, there is need to develop new mutual cooperative arrangements between labour and management. In implementing productivity-enhancing changes, there is need to provide adequate assurance to workers that the reforms will not adversely affect their job security. Moreover, there is need for the management to improve the quality of the work environment, recognize and reward appropriately individual's and, or group's contributions towards productivity improvement.

Reforms in labour practices in public and private sectors are critical in promoting better internal relations. People-centric reforms enhance managerial and staff capacities towards improvement of strategic and organizational work environment. Most organizations work environments in Kenya suffer from bureaucratic, command-like internal relations between staff and management; that are worker unresponsive, not focused to customer needs and are characterized by many other challenges.

In order to sustain productivity improvement at the firm level, a strong enforcement of the Employment Act is required to reduce job casualization and increase job security. The Government shall review labour laws for enhancing firms and employers to improve their work environment and establish sufficient safety and health standards. The labour reforms shall focus on integrating productivity improvement and gains sharing

mechanisms, labour-management partnerships, and productivity assessments into existing legal frameworks. The labour law will be reviewed to entrench organized modes of interaction between management and labour, including their alignment to the Constitution 2010.

3.4.3 Pillar 3: Technological Change and Innovation

This Policy will support technological change facilitated by the *Science, Technology and Innovation Policy and Strategy*. Technological change in this context refers to the total process through which productivity enhancing innovations are conceived, developed, and diffused throughout the economy. Therefore, technological advances are critical to continued productivity growth as they lead to increasingly effective use of factors of production (labour, capital). Technological change applies to all sectors where it involves techniques, methods, ideas and products. This requires: first, a strong underlying scientific base and culture – a continuous improving body of knowledge through which changes are conceptualized and from which practical applications are developed. Second, individuals and organizations must have the necessary access to available technical knowhow and to information on available products and processes. Third, individuals and organizations should have incentives to develop new products or to invest in the purchase of new products developed by others; and finally access to capital resources to finance the development and installation of new products and processes.

It should be noted that productivity improvement tools are also considered as key components, which facilitate technological change and innovation since the tools increase output with the given or reduced inputs. Various forums and consultation services will be conducted in order to transfer productivity improvement tools to key stakeholders and model companies in the country.

3.4.4 Pillar 4: Institutional and Legal Arrangement

An effective institutional framework is a prerequisite for successful policy development and implementation. The current Productivity Centre of Kenya will be transformed into a National Productivity Authority (NPA) and strengthened to effectively perform its functions. Within NPA, an institutional framework, in the form of National Committees on Productivity, to facilitate inter-sectoral coordination of policy and programme initiatives of the Government and the private sector, will be established. The Authority will drive the public and private sector efforts and enhance implementation of productivity improvement programmes and offer policy advice to the Government. The National Committees on Productivity shall constitute of persons from the Government, private sector, academia and other professionals who shall co-ordinate the implementation of the national productivity agenda.

In addition to playing the role as Secretariat to the National Committees on Productivity, the NPA's **mandate includes:** promoting productivity improvement and productivity culture, assisting enterprises in productivity improvement through building their capacities; acquisition, processing and disseminating productivity information; facilitating labour–management consultations, act as a catalyst and mobilize in productivity management; networking with peer organizations and initiate productivity improvement programme. Further, the NPA will establish and maintain an up-to-date database to provide productivity indicators for benchmarking, and wage compensation analysis.

Lastly, the Government in collaboration with private sector will develop and table a Bill in Parliament to transform and strengthen PCK to NPA and provide for the framework of productivity management in the country. This Act will facilitate the establishment and sustenance of a more effective institution for implementation, monitoring and overall coordination of all productivity improvement efforts in the country.

CHAPTER FOUR: REPORTING, MONITORING & EVALUATION

4.1 Rationale for Effective Policy Implementation and Coordination

Failures in the implementation of past policies and development programmes have largely been attributed to lack of an effective implementation framework and capacity gaps. The Government is committed to full and effective implementation of this Productivity Policy as it presents the surest way through which productivity improvement, competitiveness, employment creation and rapid economic growth can be addressed in a sustainable manner in the country. To achieve the outcomes set out in this Sessional Paper, it is important to have an effective implementation, monitoring and evaluation framework, to facilitate assessment of progress while at the same time allowing for learning from any implementation or pitfalls in strategy. This framework, therefore, envisages a mechanism that provides regular feedback between institutions and agencies entrusted with the implementation of the policies, strategies and programmes outlined in this document on one hand and the beneficiaries of such actions on the other.

The Government further recognizes that successful implementation of the strategies and activities identified in this blueprint will require involvement and active participation of virtually everybody and all entities in the society. Key among these are: the social partners, the private sector, civil society, Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs), Faith Based Organizations (FBOs) and development partners.

Effective co-ordination is critical in the formulation and implementation of the policy. It is also a pre-requisite for enhanced monitoring and evaluation. It is recognized that productivity improvement is the responsibility of all individuals and entities within the

national economy and cut across all sectors and regions. However, to enhance coordination and harmonization of efforts, all productivity improvement initiatives will be coordinated within the framework of the proposed NPA. Effective coordination of actions and interventions is deemed necessary to exploit synergies, enhance policy harmonization, streamline the signals given by the respective actors and limit policy disjoint, duplication of efforts and wastage of scarce resources.

4.2 Monitoring and Evaluation

The Government underscores the importance of initiating an effective Monitoring and Evaluation (M&E) system for successful implementation of policies and programmes. Monitoring and evaluation of the productivity improvement strategies and interventions contained in this document will take place at three levels with clear definition of roles and expected outputs.

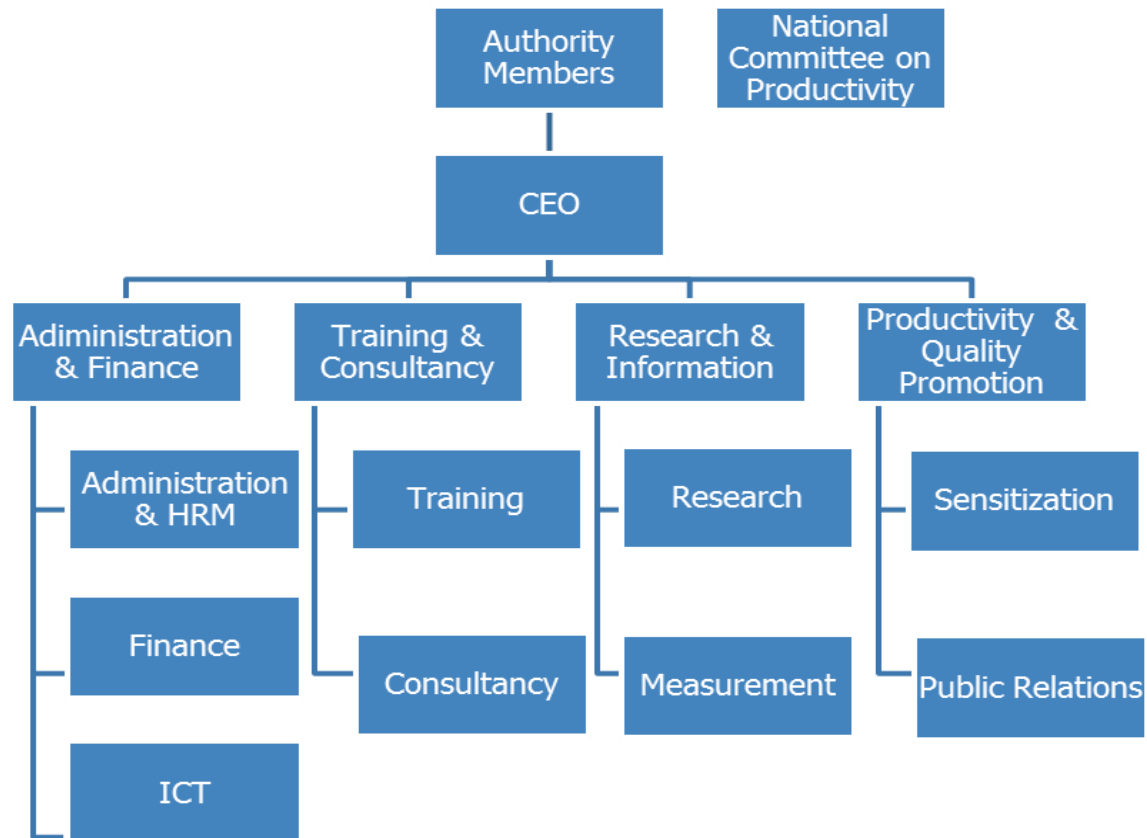
At the national level, NPA in collaboration with the Monitoring and Evaluation Directorate (M&ED) in the Ministry of Devolution and Planning will develop a comprehensive logical framework to guide the policy implementation process. The logical framework will spell out the broad policy objectives, strategic interventions and expected outputs in each of the identified productivity improvement initiatives. In addition, the logical framework will contain performance indicators, means of verification and the time frame for each of the identified strategic interventions.

NPA and M&ED will further develop M&E tools for each of the identified interventions and facilitate the development and institutionalization of an inbuilt M&E mechanism within the systems of other relevant stakeholders. NPA, M&ED, social partners, the private sector, civil society, and development partners will undertake joint monitoring and evaluation exercises. Progress Reports on implementation will be produced at this level and shared amongst all the stakeholders.

Capacity building will be undertaken at the national and sectoral levels to equip NPA, individual trade union organizations and employers with the relevant skills to collect and process timely and reliable data necessary for an effective M&E exercise. The M&E Reports from the regions will be shared at the national level with NPA and the social partners and other stakeholders to enhance feedback mechanism.

At the beneficiary or organization level, the individual productive enterprises will be the source of information required for the envisaged M&E system. They will be critical in identifying productivity improvement areas and suggesting appropriate mitigation measures.

Annex 1: Proposed Organizational Chart of NPA



Annex 2: Implementation Matrix

Objective	Output	Objectively Verifiable Indicators (OVI)	Outcomes/ impact	Actors	Time Frame
Pillar 1 Productivity Culture	Productivity awareness of Kenyans raised from 1% to 60% by 2030	Productivity awareness Baseline Survey Reports, productivity journals, pamphlets and posters	Productivity awareness index raised to 60%	OP, FKE, COTU, NPA, Private Sector Development Partners, Universities, Research Institutions	By 2030
	5S and Quality Work Environment adopted by institutions/enterprises in Public and Private Sector	5S certification	Work environment Improved	NPA, MOLSSS, NT, Universities, Research Institutions, Private Sector Service Providers	By 2014
	Integrate productivity concept in education curriculum	Training material for curriculum developed	Increased number of students who are conscious of productivity	MOE, NPA, training institutions	By 2016

Objective	Output	Objectively Verifiable Indicators (OVI)	Outcomes/ impact	Actors	Time Frame
Pillar 1 Productivity Culture	Productivity awards introduced	Number of institutions/enterprises participating in the awards	Integration and adoption of productivity practices improved	OP, MoICNG, FKE, COTU, KIM, KAM, Research Institutions, MSEs, MSEA, KEPSA, Private Sector Development Partners, Universities, Research Institutions	By 2016
	Productivity Month identified and Gazetted	Gazette notice National Productivity Champion	Productivity practices adopted	NPA, MODP, AG, NT, Universities, Research Institutions	By 2013
	Productivity improvement initiatives mainstreamed in all Ministries' action plans	MTPs, Strategic plans, performance contract,	Improved quality goods and services, cost effectiveness, faster delivery, productivity outreach widened	OP, MoICNG, VDS, NPA, all ministries and departments, Universities, Research Institutions	By 2013
Pillar 1 Productivity culture	Productivity measurement introduced in all sectors	Productivity indices statistics	Monitor growth of productivity; Proper planning of economy and; Improved industrial harmony	NPA, FKE, COTU, Public and Private Sector Development Partners, Universities, Research Institutions	By 2014

Objective	Output	Objectively Verifiable Indicators (OVI)	Outcomes/ impact	Actors	Time Frame
Pillar 2 Labour market development	Continuous provision of reliable productivity indicators for wage determination	Improved industrial harmony index; Number of institutions utilizing productivity indices for wage negotiation	Number of industrial disputes reduced	MOLSSS, NPA, FKE, COTU, KNBS, Private Sector Development, Partners, Universities, Research Institutions	By 2014
	Provision of productivity measurement guidelines and benchmarking	Handbook on productivity standards at sector/firm level	Productivity standards adopted and improved	NPA, Public Sector , FKE, COTU, Private Sector Development Partners, Universities, Research Institutions	By 2016
Pillar 2 Labour market development	Labour market institutions (National Labour Board, OHHS) strengthened	Number of workers and employers practicing LMC	Labour social dialogue improved	MOLSSS, NPA, FKE, COTU, Private Sector Development Partners, Universities, Research Institutions	By 2017

Objective	Output	Objectively Verifiable Indicators (OVI)	Outcomes/ impact	Actors	Time Frame
	Work environment, health and safety standards improved	Number of Organizations/Enterprises implementing employee involvement schemes (5S, QCC, ESS, WITs); Reduction in number of accidents reported	Improved employees morale; Improved health and safety of workers	MOLSSS, NPA, FKE, COTU, Private Sector Development Partners Universities, Research Institutions	By 2013
	Strict enforcement of Employment Act	Reduced casualization of permanent jobs	Improved worker productivity	MOLSSS	2012
Pillar 3 Technological change and innovation	Raising awareness for importance of undertaking Research and Development	No. of organizations undertaking Research and Development; Allocation for Research and Development increased from 0.3% to 1.5% of GDP	New innovative products, services, and production processes	ME, NT, NPA, Research institutions, Private sector, Development partners, Universities, Research Institutions	By 2013

Objective	Output	Objectively Verifiable Indicators (OVI)	Outcomes/ impact	Actors	Time Frame
	Technological uptake improved	Number of innovations suggested and implemented	Quality products and services; New products and work systems	MoE, FKE, COTU, NPA, Private Sector Development Partners, Universities, Research Institutions	By 2017
	Develop trainers and consultants on productivity improvement tools	Enterprise financial data	Improved firm productivity and profitability	MoE, FKE, COTU, NPA, Private Sector Dev. Partners, Universities, Research Institutions	By 2014
Pillar 3 Technological change and innovation	Majority of MSE are introduced to productivity improvement Programmes	Number of MSEs engaged in productivity improvement initiatives	Increased profitability; Reduced MSEs mortality	NPA, MSEs, NT, MODP, FKE, COTU(K), KIBT, Universities, Research Institutions	By 2020
Pillar 4 Institutional and legal arrangement	Draft National Productivity Policy (NPP) approved	Approved NPP; Cabinet Minutes	Framework for NPP presentation to Parliament established	MOLSSS, NT, OP, MoICNG and Universities, Research Institutions	By 2013

Objective	Output	Objectively Verifiable Indicators (OVI)	Outcomes/ impact	Actors	Time Frame
	National Productivity Authority(NPA) established	Gazette Notice	Productivity management framework in place	MOLSSS, NT, OP, MoICNG, Universities, Research Institutions	By 2013
	Productivity Bill finalized	Productivity Act enacted	NPA anchored by act of Parliament; Institutional framework strengthened	MOLSSS, NT, OP, MoICNG, Parliament, AG, Private Sector, Universities, Research Institutions	By 2012
Pillar 4 Institutional and legal arrangement	National Productivity Policy anchored in MTP (2013-2017)	Inclusion of Productivity Policy in strategic plans of ministries their annual work plans	Productivity Policy interventions captured in all ministries' action plans	OP, MODP, NPA, All Ministries, VDS, Universities, Research Institutions	By 2013
	Create partnership with domestic and foreign institutions on productivity improvement	Number of collaboration activities	Faster and nationwide adoption of productivity tools; Knowledge on best practices enhanced	NPA, Productivity related institutions (domestic and foreign)	2012
Monitoring and Evaluation framework	Monitoring and Evaluation framework developed	Monitoring and Evaluation reports	Effective monitoring and evaluation	NPA, M&ED, MOLSSS, NT, Universities, Research Institutions	By 2014

Annex 3: Comparison of National Productivity Organizations

NPO	Initial status	Current status
JPC-SED Japan	<ul style="list-style-type: none"> Started in 1955 as an academia, labour, business and Private Company through cabinet decision. However, the Government fully funded it for the 1st 20 years but on a reducing scale. It also raised funds through consultancies, training programmes etc 	<ul style="list-style-type: none"> Became an international non -profit making NGO in 1994 after JPC merged with Japan Socio economic congress (a Government body). Managed through a Board.
Philippines	<ul style="list-style-type: none"> Created in 1960 and mandated with productivity management. It's a Private Company with a tripartite Board comprised of Industry, Labour and Academia. 	<ul style="list-style-type: none"> In 1996 Productivity became national agenda. Government created a Philippine Council for Advocacy and promotion of productivity. Created through Executive Order No.395 President appoints Chairperson. DAP still supported by the Council but is independent and undertakes fund raising through consultancies.
Malaysia National Productivity	<ul style="list-style-type: none"> A Productivity Council established in 1966 through Act of Parliament as Government Council. Council of 20 has membership of 8 from Government and 5 from Government Institutions and the rest (7) from 	<ul style="list-style-type: none"> Changed into a Corporation through amendment of the 1966 Act. The composition of council members remains.

NPO	Initial status	Current status
Corporation	employers and workers organizations' who are appointed by Minister for International Trade and Industrial Development.	
Mauritius	<ul style="list-style-type: none"> • Government Corporation established in 1999 through Act of Parliament. • Fully funded by Government. • Chairperson of Board appointed by Head of State. • Chief Executive and Board Members appointed by Minister in charge for productivity. • Has a tripartite Board. 	<ul style="list-style-type: none"> • Still Government Institute and fully Government funded. • The Corporation at management (Board) level is tripartite.
Botswana (BNPC)	<ul style="list-style-type: none"> • A Government parastatal started through Act of Parliament. • Fully funded by Government through grants and also raises funds through consultancy, training and other fees and donation. • CEO appointed by President. • Chairman and members appointed by Minister. 	<ul style="list-style-type: none"> • Same status
NPI – South Africa	<ul style="list-style-type: none"> • A Limited Company under Section 21. • Board is tripartite. • Government funds certain development projects. • Managed through a Board (stakeholders & social partners) and has a Council comprised of the three partners at a higher level. 	<ul style="list-style-type: none"> • Still Company but re-thinking its status due to its inability to have a wide outreach.

Annex 4: Management, Funding and Operations of Productivity Organizations

NPO /Issue	JPCSED JAPAN	NPI South Africa	BNPC Botswana	NPCC Mauritius	DAP Philippines	NPC Malaysia
Management	-Tripartite initially -Currently under BOD comprising business, labour, academics. -Bi-party	-Advisory Council -BOD -comprising Govt, business and labour -Tripartite	-BOD comprising Govt, Business &labour -Tripartite	-BOD comprising labour , govt and business -Tripartite	-BOD comprising Govt, business & labour -Bi-party	-BOD comprising Govt, Management &labour -Tripartite
Funding	-Initially funded by government for 20 years, later through consultancy. -Currently self sustaining -Ksh. 2.7b	-Highly government funded and conduct consultancy -Ksh. 1.3 billion	-Fully funded by the government -Ksh. 670M	-Grants from the government & consultancies -Ksh. 334M	-Initially government -Currently self sustaining -Ksh. 560M	-Highly government funded & consultancies - ksh.1billion for operation -ksh.756M for development
Structure and Operations	-Well established with	Well established with departments namely:	Well established with departments namely:	Well established with departments	Well established namely: -Productivity and	

	departments	<ul style="list-style-type: none"> -Strategic projects, -Job creation & retention, -Capacity building for 5 months, -Research advisory -Productive behaviour and competence 	<ul style="list-style-type: none"> -Public sector, -Corporate service, -Enterprise support, -Information and research, -Productivity and quality 		<ul style="list-style-type: none"> quality -Centre for quality and competitiveness -Agricultural productivity -Centre for Knowledge management -Centre for governance 	
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Annex 5: Stakeholders involved

- 1 Ministry of Agriculture, Livestock and Fisheries
- 2 Ministry of Industry and Enterprise Development
- 3 Ministry of Commerce and Tourism
- 4 National Treasury
- 5 Ministry of Interior and Coordination of National Government
- 6 Ministry of Devolution and Planning
- 7 Federation of Kenya Employees (FKE)
- 8 Central Organization of Trade Unions (COTU(K))
- 9 Academia
- 10 Kenya Institute of Public Policy and Research Association (KIPPRA)
- 11 National Economic and Social Council (NESC)
- 12 Vision Delivery Secretariat

THE NATIONAL PRODUCTIVITY AUTHORITY BILL, 2013

ARRANGEMENT OF CLAUSES

Clause

PART I – PRELIMINARY

- 1— Short title.
- 2— Interpretation.

**PART II – ESTABLISHMENT OF THE NATIONAL
PRODUCTIVITY AUTHORITY**

- 3— Principal Objective.
- 4— Establishment of the Authority.
- 5—Headquarters of the Authority.
- 6— Objects and purpose of the Authority.
- 7 — Functions of the Authority
- 8— Composition of the Authority.
- 9— Qualifications for appointment as chairperson and members.
- 10 — Disqualification from appointment.
- 11 — Tenure of office.
- 12— Vacation of office.
- 13— Resignation.
- 14— Establishment of Committees.
- 15— Delegation of powers of the Authority
- 16—Conduct of business and affairs of the Authority
- 17—Common Seal.
- 18—General Guidelines for the Authority.
- 19—Remuneration of the Members of the Authority.
- 20—The Chief Executive Officer
- 21 —Appointment of the Chief Executive Officer.

- 22—Qualifications for appointment as Chief Executive Officer.
- 23—Removal of the Chief Executive Officer
- 24—Staff of the Authority.
- 25—Protection from Personal Liability.
- 26—Liability of the Authority for Damages.

PART III- FINANCIAL PROVISIONS

- 27— Funds of the Authority.
- 28— Financial year of the Authority.
- 29— Annual Estimates.
- 30— Accounts and Audit.
- 31— Investment of Funds.
- 32— Annual report and publication.
- 33— Bank Accounts.

PART IV- OPERATIONS OF THE AUTHORITY

- 34— Powers to obtain, provide information and call for return.
- 35—Management of Information.
- 36—Productivity and Quality Promotion.
- 37—Training and Consultancy.
- 38—Request for Advice.
- 39—Publishing of Advice.
- 40—Research Services on request.
- 41—Forgery of Certificates, false or misleading information, statements or documents.
- 42—Penalty for obstructing Authority in carrying out duties.

PART V- MISCELLANEOUS PROVISIONS

43 — Additional requirements for appointments.

44 — Regulations.

45 — Transitional Provisions.

46 — Staff of the Productivity Centre of Kenya.

**FIRST SCHEDULE — CONDUCT OF BUSINESS AND AFFAIRS OF
THE AUTHORITY**

**SECOND SCHEDULE — TRANSITION OF STAFF TO THE
AUTHORITY**

**THE NATIONAL PRODUCTIVITY AUTHORITY
BILL, 2013**

A Bill for

AN ACT of Parliament to establish an institutional framework to provide for a comprehensive framework for productivity management, to enhance coordination of the productivity interventions and for connected purposes

ENACTED by the Parliament of Kenya, as follows-

PART 1 – PRELIMINARY

Short title and
commencement.

1. This Act may be cited as the National Productivity Authority Act, 2013 and shall come into operation on such date as the Cabinet Secretary may, by notice in the Gazette, appoint.

Interpretation.

2. (1) In this Act, unless the context otherwise requires –

“Authority” means the National Productivity Authority established under section 4;

“Authority members” means the Authority Members constituted under section 8.

“Cabinet Secretary” means the Cabinet Secretary for the time being responsible for matters relating to labour;

“Chairperson” means the Chairperson of the Authority appointed under section 8;

“Committee” means the Committee established under section 14;

“Chief Executive Officer” means the Chief Executive

Officer of the Authority appointed under section 20;

“Federation” means a registered organization of trade unions or employer’s organization;

“financial year” means a financial year within the meaning of section 28;

“member” means any member of the Authority appointed under section 8 and includes any temporary or alternate member of the Authority;

“Productivity” means the efficiency and effectiveness with which factors of production are combined and utilized in an economically and environmentally sustainable manner to produce quality and cost effective goods and services; and

“Productivity Centre of Kenya” means the Government Department by that name existing immediately before the commencement of this Act.

“Trade Union” means an association of employees whose principal purpose is to regulate relations between employees and employers and includes an employer’s organization.

Principal
Objective.

3. (1) The principal objective of this Act is to enable the Authority to spearhead productivity awareness and practices, stimulate productivity management and enhance the country’s competitiveness for improved quality of life.

(2) The Authority shall in the exercise of its powers under this Act, seek to give effect to the principal objective in subsection (1).

**PART II – THE NATIONAL PRODUCTIVITY
AUTHORITY.**

Establishment of
the Authority.

4. (1) There is established a Authority known as the National Productivity Authority.

(2) The Authority shall be a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of-

- (a) suing and being sued;
- (b) purchasing or otherwise acquiring, holding, charging and disposing of movable and immovable property;
- (c) borrowing and lending money; and
- (d) doing or performing all other things or acts necessary for the proper performance of its functions under this Act which may lawfully be done or performed by a body corporate.

Headquarters of
the Authority.

5. (1) The headquarters of the Authority shall be in the capital city of Kenya, and the Authority shall devolve its services to the counties in accordance with Article 6 of the Constitution.

Objects and
purpose of the
Authority.

6. (1) The objects and purpose for which the Authority is established are to-

- (a) create and develop methodologies for productivity measurements, management and improvement in the Public Service and Private Sector;
- (b) provide technical advice and assistance for

- devising productivity related payment schemes;
- (c) engage in consultations with any fact-finding body or arbitration tribunal on any matter relating to the functions of the Authority;
 - (d) promote and monitor all aspects of productivity growth;
 - (e) assist in the development of improved methods of work organization geared to the enhancement of productivity levels;
 - (f) design, advise on productivity matters, and conduct educational programmes related to productivity;
 - (g) disseminate information intended to stimulate public awareness on productivity and promote understanding of the need to improve the quality of work performance nationally and in the context of international best practice and standards;
 - (h) assist in creating a climate which would maximize the use of productivity gains in collective bargaining exercises;
 - (i) undertake research on matters relating to productivity and competitiveness;
 - (j) collect, compile, analyze and disseminate by any convenient means information of a statistical nature or otherwise concerning matters relating to its functions;
 - (k) promote and undertake publicity on matters relating to productivity and competitiveness;

- (l) serve as a national productivity and innovation body to advise the government, industrial, commercial, trading and other organizations in respect of matters relating to productivity and competitiveness;
- (m) collaborate with such other bodies or organizations within or outside Kenya as the Authority may consider desirable or appropriate for best practice and in furtherance of the purpose for which the Authority is established; and
- (n) to do such other things as are necessary to carry out effectively the purposes of this Act.

Functions of the Authority.

7. (1) The functions of the Authority are-

- (a) to oversee the operations of the Authority and advise the Cabinet Secretary on all matters pertaining to productivity;
- (b) spearhead productivity movement in Kenya and ensure a paradigm shift to performance management.
- (c) do anything incidental to any of the preceding functions or such other functions as are conferred on the Authority by any other written law; and
- (d) perform any other function conferred on it by this Act.

(2) In addition to the functions and duties imposed by this section, the Authority may undertake such other functions as the Cabinet Secretary may assign to the Authority and in so doing, the Authority shall be deemed to be fulfilling the

purpose of this Act and the provisions of this Act shall apply to the Authority in respect of such functions.

Composition of
the Authority.

8. (1) The management of the Authority shall vest in Authority members appointed by the Cabinet Secretary consisting of-

- (a) a non-executive Chairperson;
- (b) the Chief Executive Officer, who shall be an ex-official member and secretary to the Authority;
- (c) the Principal Secretary for the Ministry for the time being responsible for matters relating to labour or his representative;
- (d) the Principal Secretary for the Ministry for the time being responsible for matters relating to finance or his representative;
- (e) the Principal Secretary for the Ministry for the time being responsible for matters relating to planning, national development or his representative;
- (f) the Principal Secretary for the Ministry for the time being responsible for matters relating to Public Service or his representative;
- (g) one person nominated by the most representative Federation of Employers;
- (h) one person nominated by the most representative Federation of Workers; and
- (i) one other person, not being a public officer by virtue of knowledge or experience in matters relating to productivity.

(2) An alternate member shall be subject to the provisions of this Act and may exercise all the powers, except the power to appoint an alternate member, and perform all the duties of the member by whom the members was appointed.

(3) The appointment of an alternate member shall determine if for any reason the member by whom such appointment was made ceases to be a member of the Authority.

(4) The Authority may co-opt to serve on it for such length of time as it thinks fit any number of persons whose assistance or advice it may require, but a person so co-opted shall neither be entitled to vote in a meeting of the Authority nor be counted as a member thereof for the purpose of forming a quorum.

Qualifications
for appointment.

9. (1) In addition to provisions under section 43 of this Act, a person shall be qualified for appointment as the Chairperson or a member of the Authority if that person-

- (a) holds a relevant degree or its equivalent from a university recognized in Kenya;
- (b) has knowledge and at least ten years' management experience in matters relating to productivity or any other relevant field;
- (c) has had a distinguished professional career in their respective relevant fields; and
- (d) meets the requirements of Chapter Six of the Constitution.

Disqualification
from
Appointment.

10. A person shall not be qualified for appointment as the chairperson or a member of the Authority if such person-

- (a) is a member of Parliament or a County Assembly;

- (b) is a member of the governing body of a political party;
- (c) is a member of a local Authority;
- (d) is a un-discharged bankrupt;
- (e) has been removed from office for contravening the provisions of the Constitution or any other law;
- (f) is insolvent or has conveyed or assigned his property or has made a composition or arrangement for the benefit of his creditors;
- (g) is incapacitated by reason of physical or mental illness; or
- (h) has been sentenced by a court to imprisonment for a term of six months or more without an option of a fine; or
- (i) is convicted of an offence involving fraud, dishonesty, or moral turpitude.

Tenure of office.

11. The Chairperson and members of the Authority shall, subject to the provision of this Act be appointed for a term of three years on such terms and conditions as may be specified in the instrument of appointment and shall be eligible for re-appointment for one further term of three years.

Vacation of office.

12. If the Cabinet Secretary is satisfied that a Chairperson or a member of the Authority –

- (a) has become subject to any of the disqualifications specified in section 10; or

(b) has been absent from three consecutive meetings of the Authority without the leave of the Authority; or

(c) is otherwise unable or unfit to discharge his functions as a member of the Authority,

the Cabinet Secretary may revoke the appointment of that Chairperson or a member, and give notification in writing whereupon the office of that Chairperson or a member shall become vacant.

Resignation.

13. The Chairperson or a member appointed under section 9 may resign by giving notice in writing to the Cabinet Secretary.

Establishment of Committees.

14. (1) The Authority may establish Committees to exercise functions of the Authority in relation to Productivity and such Committees may include but not limited to Research and Information, Productivity and Quality Promotion, and Training and Consultancy.

(2) The Authority may determine the functions, conduct and regulation of the business and affairs of the Committees.

Delegation of Powers of the Authority.

15. The Authority may, by resolution either generally or in any particular case, delegate to any Committee of the Authority or to any member, officer, employee or agent of the Authority the exercise of any of the powers for the performance of any of the functions or duties of the Authority under this Act.

Conduct of business and affairs of the Authority.

16. The conduct and regulation of the business and affairs of the Authority shall be as provided in the First Schedule, but subject thereto, the Authority may regulate its own procedure.

Common seal.

17. (1) The Authority shall have a common seal and such seal may from time to time be broken, changed, altered or made anew as the Authority thinks fit.

(2) The common seal of the Authority shall be kept in such custody as the Authority may direct and shall not be used except on the order of the Authority.

(3) The affixing of the common seal of the Authority shall be authenticated by the signatures of the Chairperson and the Chief Executive Officer and in the absence of the Chairperson or the Chief Executive Officer, by a member of the Authority, authorized by the Authority.

(4) The common seal of the Authority when affixed to a document and duly authenticated shall be judicially and officially noticed and unless and until the contrary is proved, any necessary order or authorization by the Authority under this section shall be presumed to have been duly given.

(5) The Authority may by resolution appoint an employee of the Authority or any other agent, either generally or in a particular case, to execute or sign on behalf of the Authority any agreement or other instrument not under seal in relation to any matter coming within the powers of the Authority.

General
Guidelines for
the Authority.

18. (1) In fulfilling its mandate, the Authority shall act in accordance with the values and principles set out in the Constitution and the Laws of Kenya and shall observe and have regard to the need to-

- (a) improve the country's competitiveness level;
- (b) encourage labour-management cooperation;
- (c) establish national, regional and international partnerships;
- (d) promote employment creation and sustainability;
- (e) promote productivity gain sharing;

(f) meet international obligations and commitments;

(g) recognize cultural diversity of the Kenyan people; and

(h) recognize the strategic role of the informal sector .

(2) In the performance of its functions, the Authority shall have regard to any other matters notified to it in writing by the Cabinet Secretary.

(3) The Authority, in all reports on matters referred to it, shall provide a variety of viewpoints and options representing alternative means of addressing the issues in the report.

Remuneration of
Authority
members.

19. There shall be paid to the Chairperson and members of the Authority, such remuneration, fees or allowances as the Cabinet Secretary in consultation with the Salaries and Remuneration Commission and the Cabinet Secretary for the time being responsible for matters relating to finance.

The Chief
Executive
Officer.

20. (1) There shall be a Chief Executive Officer of the Authority who shall be the Secretary to the Authority and Committees of the Authority.

(2) The Chief Executive Officer shall, subject to the directions of the Authority, be the administrative head and be responsible for the day to day management of the Authority.

(3) The Chief Executive Officer shall be an ex-officio member of the Authority and shall have no right to vote at any meeting of the Authority.

(4) The Chief Executive Officer may delegate administrative functions to any member of staff of the

Authority.

Appointment,
qualifications,
and removal of
the Chief
Executive
Officer.

21. (1) The Cabinet Secretary shall, subject to section 22, appoint the Chief Executive Officer from amongst three names of persons submitted by the Authority after a competitive recruitment process and on such terms and conditions as the Authority may think fit.

Qualifications
for appointment
as Chief
Executive
Officer.

22. A person shall be qualified for appointment as Chief Executive Officer if that person-

- (a) is a citizen of Kenya;
- (b) holds a degree from a university recognized in Kenya in economics, commerce, engineering or any other relevant fields;
- (c) has had at least ten years proven experience five of which at senior management level;
- (d) has proven competence in analytical, leadership and negotiation skills; and
- (e) meets the requirements of Chapter Six of the Constitution.

Removal of the
Chief Executive
Officer.

23. (1) The Chief Executive Officer may be removed from office by the Authority in accordance with the terms and conditions of service for-

- (a) inability to perform the functions of the office of the Chief Executive Officer arising out of physical or mental incapacity;
- (b) gross misconduct or misbehavior;

(c) incompetence or neglect of duty;

(d) violation of the Constitution; or

(e) any other ground that would justify removal from office under the terms of conditions of service provided that the Chief Executive Officer shall not be removed without a written consent of the Cabinet Secretary.

(2) Before removal under subsection (1), the Chief Executive Officer shall be given-

(a) sufficient notice of the allegations made against him or her; and

(b) an opportunity to present a defence against the allegations.

Staff of the
Authority.

24. (1) The Authority shall appoint staff as necessary for the proper discharge of the functions of the Authority under this Act or any other written law, upon such terms and conditions of service as the Authority may determine.

(2) Staff appointed under subsection (1) shall, subject to the directions of the Chief Executive Officer, perform any act or discharge any duty which may lawfully be performed or discharged by the Chief Executive Officer under this Act.

(3) The Government may, upon request by the Authority second to the Authority such number of public officers as may be necessary for the proper performance of the functions of the Authority.

Protection from
Personal
Liability.

25. No matter or thing done by the Chairperson, a member of the Authority or any officer, employee or agent of the

Authority shall, if the matter or thing is done bona fide for executing the functions, powers or duties of the Authority under this Act, render the member, officer, employee or agent or any person acting on their directions personally liable to any action, claim or demand whatsoever.

Liability of the Authority for Damages.

26. The provision of section 25 shall not relieve the Authority of the liability to pay compensation or damages to any person for any injury to him, his property or any of his interests caused by the exercise of any power conferred on the Authority by this Act, or any other written law, or by the failure, whether wholly or partially, of any works or contract.

PART III – FINANCIAL PROVISIONS

Funds of the Authority.

27. (1) The funds of the Authority shall consist of –

- (a) funds allocated to the Authority by Parliament;
- (b) moneys or assets as may accrue to or vest in the Authority in the course of the exercise of its powers or the performance of its functions under this Act or any other written law;
- (c) sums as may be payable to the Authority pursuant to this Act or any other written law, or pursuant to any gift or trust;
- (d) any grants, gifts, donations or endowments received by the Authority on behalf of the Authority;
- (e) any other funds that may be received by the Authority from any other source;
- (f) fees from Consultancy and other services by the Authority; and

(g) all other payments due to the Authority in respect of any matter incidental to its functions.

(2) The Authority shall disclose details of the sources of its funds in the annual report.

Financial year.

28. The financial year of the Authority shall be the period of twelve months ending on the thirtieth June in each year.

Annual estimates.

29. (1) The Authority shall, not less than three months before the commencement of each financial year cause to be prepared estimates of the revenue and expenditure of the Authority for that financial year.

(2) The annual estimates shall make provision for all estimated expenditure of the Authority for the financial year and in particular, the estimates shall provide for-

- (a) the payment of the salaries, allowances and other charges in respect of the staff and agents of the Authority and the members of the Authority;
- (b) the payment of the pensions, gratuities and other charges in respect of retirement benefits to staff of the Authority;
- (c) acquisition and the proper maintenance of the buildings and grounds of the Authority;
- (d) the proper maintenance, repair and replacement of the equipment and other movable property of the Authority;
- (e) the creation of such reserve funds to meet future or contingent liabilities in respect of retirement benefits, insurance or replacement of buildings or equipment or in respect of such other matters as the Authority may deem fit; and

- (f) any other expenditure necessary for the performance of the functions of the Authority.

(3) The annual estimates shall be approved by the Authority and be submitted to the Cabinet Secretary for approval before the commencement of the financial year to which they relate.

(4) No expenditure shall be incurred for purposes of the Authority except in accordance with the annual estimates approved under subsection (3) or in pursuant to an authorization of the Cabinet Secretary.

(5) The Cabinet Secretary shall cause a copy of the annual estimate to be tabled in Parliament.

Accounts and
audit.

30. (1) The Authority shall cause to be kept all proper books and records of accounts of the income, expenditure, assets and liabilities of the Authority.

(2) Within a period of three months after the end of each financial year, the Authority shall submit to the Auditor-General the accounts of the Authority in respect of that year together with-

- (a) a statement of income and expenditure of the Authority during that financial year; and
- (b) a statement of the assets and liabilities of the Authority on the last day of that financial year.

(3) The accounts of the Authority shall be audited and reported upon by the Auditor-General in accordance with the provisions of the Public Audit Act.

Investment of
funds.

31. (1) The Authority may invest any of the funds of the Authority which are not immediately required for its purposes

in such securities as the Treasury may, from time to time, approve.

(2) The Authority may place on deposit with such bank or banks as it may determine, any moneys not immediately required for the purposes of the Authority.

Annual report.

32. (1) Before the 30th September each year, the Authority shall prepare an annual report in respect of the year up to the immediately preceding thirtieth June and submit it to the Minister before the 30th November in that year.

(2) The annual report shall provide information regarding the activities and plans of the Authority during the year to which it relates sufficient to impart an accurate understanding of the nature and scope of its activities and its plans and priorities and, without limitation, shall include-

- (a) details of the performance of the Authority against its key performance indicators, including the number of research studies done and the ones planned, institutional and enterprise based productivity audit reports, institutional and enterprise based productivity improvement programmes undertaken and on-going, number and type of productivity awareness activities undertaken and individuals and institutions trained on productivity and their profiles;
- (b) such information and other material as the Authority may be required by this Act or regulations made there under to include in the annual report; and
- (c) such additional information or other material as the Cabinet Secretary may request in writing.

(3) The Cabinet Secretary shall, within two months after receiving the annual report, transmit it to the National Assembly.

Bank accounts.

33. The Authority shall open and maintain such bank accounts as shall be necessary for the performance of its functions.

PART IV- OPERATIONS OF THE AUTHORITY

Powers to
obtain, provide
information and
call for return.

34.(1) The Authority may provide information on productivity, innovation, competitiveness and best practices to the Government, any person or body through Research, case studies and benchmarking database.

(2) The Authority or any officer, employee or agent of the Authority authorized by the Authority in that behalf may by notice in writing require any person to furnish, within the time specified in the notice, any information or document that may be required by the Authority or the officer, employee or agent of the Authority, as the case may be, for the purpose of inquiring into or ascertaining the truth or correctness of any statement which has been made, or any information which has been given, by a person to the Authority.

(3) The Authority or any officer, employee or agent of the Authority authorized by the Authority in that behalf shall have access to all lands, buildings, places, books, documents and other papers for any of the purposes of this Act and may for any such purpose inspect, make copies of or take extracts from such books, documents or papers, or take possession of any such books, documents or papers, if, in its or his opinion –

- (a) the inspection or copying of or extraction from such books, documents or papers cannot reasonably be performed without taking possession thereof;
- (b) the books, documents or papers may be interfered with or destroyed unless possession thereof is

taken; or

- (c) the books, documents or papers may be required as evidence in any proceedings instituted or commenced for any of the purposes of, or in connection with, this Act;

(4) The Authority shall examine the information referred to in subsection (3) and may report its findings to the Cabinet Secretary.

Management of information.

35. (1) The Authority and the staff of the Authority shall maintain confidence in respect of all matters that come to their knowledge in the exercise of their duties.

(2) Subject to the provisions of Article 35 of the Constitution, the Authority and the staff of the Authority shall not be called to give evidence in respect of any matter that comes to their knowledge in the exercise of their duties.

(3) Notwithstanding subsection (1), the Authority may disclose in any report made by the Authority under this Act, any matter that is in opinion of the Authority may be disclosed in order to establish grounds for the Authority's findings and recommendations of the Authority.

Productivity and quality promotion.

36. The Authority shall be bound by the guiding principles as stipulated in section 19 to promote best practices in the public and private sectors to enhance factor productivity, innovation and competitiveness.

Training and consultancy.

37. The Authority shall coordinate all issues related to productivity training and consulting including –

- (a) identify productivity needs of clients;
- (b) design appropriate productivity tools for institutions or enterprises;

- (c) facilitate implementation of designed productivity tools;
- (d) monitor and evaluate Productivity Improvement Programmes in organizations;
- (e) facilitate development of a standardized productivity management training and work environment audit programme;
- (f) train and develop management consultants in public and private sector;
- (g) facilitate certification and accreditation of Productivity Service Providers and auditors as per schedule three;
- (h) facilitate implementation of performance awards;
- (i) undertake benchmarking initiatives; and
- (j) maintain database of productivity service providers

Request for advice.

38. (1) If the Cabinet Secretary requests the Authority's advice on a matter, he may specify any or all of the following—

- (a) that the advice be in writing;
- (b) a period within which the advice is to be given;
- (c) any matter to which the Authority is to have regard in giving the advice; and
- (d) the Authority shall act accordingly.

Publishing of advice.

39. (1) The Cabinet Secretary may publish advice

given by the Authority under section 38 in an appropriate form.

(2) If the Cabinet Secretary decides to publish the advice and the advice contains information whose publication would, in the Cabinet Secretary's opinion, be contrary to the public interest, the Cabinet Secretary may publish the advice with deletions.

(3) If the advice is published with deletions, the Cabinet Secretary shall also publish the fact that the advice is published with deletions.

Research
services on
request.

40. (1) If a person or body other than a government body requests the Authority to undertake a specified research project for the person or body and the project relates to a matter or matters relating to productivity as stipulated under section 13 of this Act and the Authority consents, in writing, the Authority may undertake the project.

(2) The Authority may direct, in writing specifying conditions on which the Authority is to undertake the project.

Forgery of
certificates,
false or
misleading
information,
statements or
documents.

41. If a person-

(a) forges or counterfeits any document or certificate required by the Authority for the purposes of this Act; or

(b) gives any information required by the Authority for the purposes of this Act knowing it to be false in any material particular,

commits an offence and is liable on conviction to a fine not exceeding fifty thousand shilling or to imprisonment for a term

not exceeding six months or, to both.

Penalty for obstructing Authority in carrying out duties.

42. Any person who at any time hinders or obstructs the Authority or any officers, employee or agent of the Authority acting in the discharge of its or his duties under this Act commits an offence and is be liable on conviction to a fine not exceeding fifty thousand shillings or to imprisonment for a term not exceeding six months or, to both.

PART VI – MISCELLANEOUS PROVISIONS

Additional requirements for appointments.

43. All appointments under this Act shall be in accordance with Articles 27 and 232 of the Constitution and the appointees shall be required to meet the requirements of Chapter Six of the Constitution.

Regulations.

44. The Cabinet Secretary on the recommendation of the Authority may make regulations for the better carrying out of the provisions of this Act.

Transitional provisions.

45. (1) All property, which immediately before the commencement of this Act was vested in the Productivity Centre of Kenya shall on the commencement of this Act, vest in the Authority subject to all interests, liabilities, charges, obligations and trusts affecting such property;

(2) All contracts, debts, obligations and liabilities of the Productivity Centre of Kenya before the commencement of this Act shall be vested in the Authority and may be enforced by or against the Authority;

(3) All legal proceedings pending for or against the Productivity Centre of Kenya in respect of any property, liabilities or contracts of the Productivity Centre of Kenya shall be deemed to continue or be continued by or against the Authority;

(4) All directions, orders, rules, authorizations and

other things published, made, given or done by the Productivity Centre of Kenya, subsisting at the commencement of this Act, shall on that day be deemed to have been published, given, made or done by the Authority.

Staff of the
Productivity
Centre of
Kenya.

46. Any person who was a member of staff of the Productivity Centre of Kenya shall, upon the commencement of this Act, be deemed to be an employee of the Authority in accordance with the Second Schedule.

FIRST SCHEDULE

(s. 16)

PROVISIONS RELATING TO CONDUCT OF BUSINESS AND AFFAIRS OF THE AUTHORITY OF MEMBERS

Meetings of the
Authority

1. Subject to the provisions of this Act, the Authority may regulate its own procedure.

Powers of the
Chairperson.

2. (1) The Chairperson shall, within seven days of the appointment of the members, convene the first meeting of the Authority at which the members shall elect the Vice-chairperson from amongst the members.

(2) The Chairperson shall-

(a) preside over all meetings of the Authority; and

(b) be the spokesperson for the Authority.

(3) If the office of Chairperson becomes vacant or if the Chairperson is unable to exercise the powers or perform the functions of his office owing to absence, illness or any other cause, the vice-chairperson shall exercise those powers or perform those functions.

(4) A quorum of the Authority shall be the chairman or

vice-chairman and seven other members, and in case of an equality of votes, the Chairperson or vice-chairman, as the case may be, shall have a casting vote.

(5) The Authority shall meet for the transaction of business at least once every three months at such places and at such times as the Chairperson and the Secretary may determine.

(6) A special meeting of the Authority may be called by the Chairperson upon written notice of not less than seven days received from any member of the Authority and shall be called if at least four members so request in writing.

Provided that if the urgency of any particular matter does not permit the giving of such notice, a special meeting may be called upon giving a shorter notice.

(7) Half of the members of the Authority shall form the quorum of any meeting of the Authority.

(8) There shall preside at any meeting of the Authority-

(a) the Chairperson; or

(b) in the absence of the Chairperson, the vice-chairperson; or

(c) in the absence of the Chairperson and the vice-chairperson, such member as the Chairperson may designate or such member as the members present and forming a quorum may elect from among their number for the purpose of that meeting.

(9) The decision of the Authority on any matter before any meeting shall be that of the majority of the members present and voting at the meeting and, in the event of an

equality of votes, the person presiding shall have the casting vote in addition to his deliberative vote.

(10) A member of the Authority shall not attend to the business of his office by representation and where a member is unable to attend any meeting of the Authority he may request that his apologies for failure to attend be recorded.

SECOND SCHEDULE

(s.46)

PROVISIONS RELATING TO TRANSITION OF STAFF TO THE AUTHORITY

Staff.

1. Any person who, at the commencement of this Act, is a member of staff of the former Productivity Centre of Kenya, shall become a member of staff of the Authority on the same or improved terms and conditions of service as may be specified by the Cabinet Secretary—

Provided that a member of staff of the Productivity Centre of Kenya may elect to retire in accordance with existing Civil Service regulations or be seconded to the Authority.

Disciplinary
issues.

2. (1) Where at the commencement of this Act—

(a) any disciplinary proceedings against any member of staff of the Productivity Centre of Kenya are in the course of being heard or instituted, or have been heard or investigated by the Productivity Centre of Kenya but no order or decision has been made thereon; or

(b) any such member of staff is interdicted or suspended, the Authority shall—

(i) in the case of paragraph (a), carry on and complete the hearing or investigation and

make an order or render a decision, as the case may be; and

- (ii) in the case of paragraph (b), deal with such member of staff in such manner as it deems appropriate having regard to the offence committed by him, including the completion of disciplinary proceedings that have been commenced by the Authority.

(2) Where at the commencement of this Act any penalty, other than dismissal, has been imposed on any member of staff of the Productivity Centre of Kenya pursuant to disciplinary proceedings against him and the penalty has not been, or remains to be, serviced by such member of staff, he shall on his transfer to the Authority, under paragraph (2) serve or continue to serve such penalty to its full as if it had been imposed by the Authority.

MEMORANDUM OF OBJECTS AND REASONS

The objects of the Bill is to establish an institutional framework to provide for a comprehensive framework for productivity management and to enhance coordination of the productivity interventions in Kenya.

PART 1 of the Bill contains preliminary provisions.

PART II of the Bill provides for the establishment of the National Productivity Authority and its objects, purposes and functions.

Clause 8 provides for the management of the Authority to vest in the Authority members appointed by the Cabinet Secretary.

Clause 9 further sets out provisions for the removal appointment and removal the chairperson and members of the Authority.

Clauses 20-24 of the Bill under this part contains provisions for the appointment, qualifications and removal of the Chief Executive Officer of the Authority.

PART III of the Bill sets out the financial provisions with regard to the Authority.

PART IV of the Bill provides for the general operations of the Authority.

Clause 34 of the Bill under this Part makes provision for the Authority to provide information on productivity, innovation, competitiveness and best practices to Government and any other person obtained by way of research, case studies and benchmarking database.

Clause 37 further mandates the Authority to coordinate all issues related to productivity training and consultation that may include-

- (a) identifying productivity needs of clients;
- (b) designing appropriate productivity tools for institutions or enterprises;
- (c) facilitating implementation of designed productivity tools; etc.

Clause 42 of the Bill creates an offence of obstruction for any person who hinders or obstructs the Authority or any officers, employee or agent of the Authority in discharging of his or her lawful duties under the Act.

PART V of the Bill contains miscellaneous provisions.

The enactment of this Bill shall occasion additional expenditure of public funds.

Dated, 2013.

Kazungu Kambi,

**Cabinet Secretary,
Ministry of Labour,
Social Security and Services.**

**HENRY ROTICH,
Cabinet Secretary,
National Treasury.**

Appendix 8

Proposed Outline of the PCK Strategic Plan 2013/2014-2018/2019

We recognize that as a Productivity Center, we must anchor our operations on certain principles and values. The implementation of our objectives and proposed strategies and activities will be guided by Our (i) Vision; (ii) Mission; and (iii) Strategic Objectives.

4.1 Vision

To be a Centre of excellence for productivity management in Kenya

4.2 Mission

To promote best practices in the public and private sectors to enhance factor productivity and competitiveness

4.3 Strategic Objectives

- a) Finalize Productivity Policy and Legal Framework
- b) Productivity Promotion (PP)
- c) Productivity Improvement (PI)
- d) Productivity Measurement (PM)

Strategy Theme 1: Finalize Productivity Policy and Legal Framework

Strategic Objective 1.1: PCK is re-established with proper organizational settings.

Strategy 1.1.1: Transform to the National Productivity Authority

Activities:

- i. Sensitize the Parliamentary committee on the concept of the productivity policy and draft Bill.
- ii. Undertake necessary amendments to enable Parliament Approval
- iii. Implement National Productivity Authority Act, 2013

Strategy 1.1.2: Develop the capacity of recruited staff

Activities:

- iv. Advertise and fill vacant position
- v. Allocate the staff appropriately among the departments
- vi. Conduct the training needs assessment
- vii. Conduct structured on -the- job training of staff as necessary
- viii. Implement policy for training and staff development
- ix. Develop competency of the new staff through the internal and external trainings

Strategy 1.1.3: Provide the physical infrastructure

Activities:

- i. Determine of physical infrastructure of PCK in collaboration with Ministry of Land and Housing
- ii. Prepare the financial requirement and submit to National Treasury
- iii. Upon Funding, procure physical requirement

Strategic Objective 1.2: Institutional framework for coordinating PI programmes is established.

Strategy 1.2.1: Establish the National Committee on Productivity

Activities:

- i. The functions, conduct, and regulations of the National Committee on Productivity are determined.
- ii. The Committee members are identified and assigned.
- iii. Establish objective based sub-committees including
 - Sub-committee on the National Productivity Campaign
 - Sub-committee on integrating innovation and PI in education sector
 - Sub-committee on the productivity improvement in the Public Sector
 - Sub-committee on award and certification system
- iv. The Committees hold meetings.
- v. Recommendations from the Committees are anchored on PCK strategies

Strategy 1.2.2 Create partnership with organizations requiring PI practices

Activities:

- i. Set up a Committee based on Public-Private Partnership including umbrella bodies of private and public organizations and discuss strategies for PI adoption.
- ii. Discuss strategies of PI adoption and reflect upon PCK's annual work plan.

Strategy 1.2.3 Create memberships

Activities:

- i. Create membership registration system under PCK
- ii. Promote the membership to private sectors
- iii. Develop Community of Practices among the members, in order to benchmark each other

Strategic theme 2: Resource Mobilization

Strategic objective 2.1: PCK achieves financial viability and sustainability

Strategy 2.1.1: Improve financial base for PCK

Activities:

- i. Prepare Programme Performance Review Report annually
- ii. Prepare Programme Based Budgeting annually
- iii. Prepare Social Protection, Culture and Recreation Sub sector Report.
- iv. Bid resources appropriately in the Sector's Working Group
- v. Make the proposal to the government for increasing resource allocation to PCK

Strategy 2.1.2: Introduce consulting and training fees

Activities:

- i. Study training and consulting fees charged by other Government agencies
- ii. Estimate cost for the consulting and training
- iii. Set up the consulting and training fee chart
- iv. Start charging consulting and training fees

Strategic theme 3: Productivity awareness and promotion

Strategy Objective 3.1: Develop productivity consciousness nationally

Strategy 3.1.1: Develop and implement national productivity campaign

1) Introduce PI best practices

Activities:

- i. Create database of the best practices
- ii. Exchange information with the local/international productivity organizations about best practices
- iii. Input data of the national and international best practices
- iv. Create promotion materials to introduce the best practices and basics of the PI tools (e.g. posters and leaflets)

2) Increase visibility of PCK

Activities:

- i. Create homepage of the PCK
- ii. Introduce best practices of PI in the homepage
- iii. List the contacts of the key partners in the homepage
- iv. Upload simple guideline for implementing PI to the homepage
- v. Upload key productivity indices to the homepage

- 3) Introduce and sustain productivity month campaign
 - i. The sub-committee on the National Productivity Campaign determines the Productivity Month and appoint the National Productivity Champion
 - ii. Place advertorial In the newspaper about the Productivity Month
 - iii. Conduct the National Productivity Campaign at the national and the county levels.
 - iii. Provide awards for the best practices from the public and private sectors in the seminar
 - iv. Run gazette supplement on the annual seminar and the award winners

Strategy 3.1.2: Sensitize the Private Sector to the benefits and approaches of PI

1) Increase the number of PI facilitators

Activities:

- i. Collaborate in designing seminars on PI for initiatives taken in various organizations
- ii. Dispatch facilitators among either PCK staff or consultants/trainers to PI seminars
- iii. Evaluate the content of the seminars and make necessary improvement to make it practical

2) Raise awareness of the top executives and middle managers

Activities:

- i. Collaborate with the umbrella bodies representing the Private Sector to design the seminars
- ii. Hold an annual seminar targeting the top executives and the middle managers in collaboration with the umbrella bodies.
- iii. Introduce the best practices of PI in the seminar
- iv. Provide an award in the annual seminar
- v. Place Advertorial on the newspaper about the annual seminar

Strategy 3.1.3: Sensitize the Public Sector to the benefits and approaches of PI

Activities:

- i. Set up and operationalize a sub-committee on mainstreaming PI practices in the public sector is established and operationalized.
- ii. Sensitize the county governors/ministers on productivity concept
- iii. A taskforce for implementing PI is set up and operationalized in each county.
- iv. Hold a facilitators' workshop among the key government institutions to discuss about methods of introducing PI (Kaizen) practices in the government
- v. Include implementation of PI practice in performance contract
- vi. Provide Training of Trainers (ToTs) to KSG
- vii. Organize PI (5S and Kaizen) trainings for the assigned officers
- viii. Assist each ministry to undertake regular internal 5S assessment
- ix. Award the best ministerial / public agencies on the best showcase on PI (Kaizen) practice in the national seminar
- x. Publicize the best PI (Kaizen) practice of the Government in the media

Strategy objective 3.2: Mainstream productivity in the education system

Strategy 3.2.1: Introduce PI knowledge to educational curriculum

Activities:

- i. Setup a Committee for integrating PI in education system
- ii. Join in the education reform process
- iii. Hold sensitization workshops for MoE/MoHEST and key educational institutions
- iv. Provide training material for developing PI curriculum

Strategic theme 4: PI Practices

Strategy Objective 4.1: Increase adoption and adaption of PI at firm/agency level

Strategy 4.1.1 Increase the number of human resource with PI skill and knowledge

1) Conduct Training of Trainers (ToTs) for consultants/trainers

Activities:

- i. Develop ToT modules and training materials targeting consultants/trainers
- ii. Develop strategies for selecting consultants/trainers for the training
- iii. Undertake trainings on PI tools
- iv. Receive consultation from trained consultants/trainers for advise

2) Conduct Training for the middle managers and employees

Activities:

- i. Determine fees for the training of middle managers and employees
- ii. Develop training modules and materials targeting middle managers and employees
- iii. Place advertisement in local dailies with wider circulation inviting applicants for training
- iv. Undertake trainings on PI tools
- v. Receive consultation from trained middle managers and employees for further improvement

Strategy 4.1.2: Increase the number of model companies with PI practices with a particular focus on the Micro-, Small-, and Medium-sized enterprises (MSMEs)

Activities:

- i. Develop a strategy to implement PI consultation services across the country
- ii. Select model companies and institutions for the pilot consultation
- iii. Conduct shop floor observations/diagnosis of productivity problem
- iv. Train the middle managers and employees to PI tools
- v. Guide the model companies and institutions towards implementation of PI
- vi. Conduct appraisal of PI realized

Strategy Objective 4.2: Acknowledge the best practices on PI

Strategy 4.2.1: Conduct periodical executive seminars to show advanced best practices on PI

Activities:

- i. Design top executive seminars with the key private umbrella organizations
- ii. Select the advanced best practice PI among the highest level of assessment with reference to the database created
- iii. Input the best practices in the database created
- iv. Hold executive seminar to show advanced best practices on

Strategy 4.2.2: Establish awards and certification system

Activities:

- i. Setup a Committee (including KIM, KAM, KNCPC for creating a national award and certification system on PI.
- ii. Establish criteria to assess the level of PI implementation for award/certification system
- iii. Train the consultants/trainers in methods of assessment
- iv. Receive assessment results from the consultants/trainers
- v. Provide a certificate to the companies/agencies indicating the level of PI implementation
- ix. Provide awards in an annual PI seminar in Strategy (see Strategy 3.1.3)

Strategy Objective 4.3: Enhance speed and outreach of PI tools

Strategy 4.3: Create partnerships with consulting/training institutions

Activities:

- i. Create strategies to identify areas of collaboration with consulting/training institutions
- ii. Periodically hold meetings with consultants/trainer institutions
- iii. Develop database of consultants/trainers
- iv. Introduce the companies/agencies which require trainings/consultation to consultants/trainers

Strategic theme 5: Productivity measurement and Research

Strategy objective 5.1: Facilitate assessment of productivity levels

Strategy 5.1: Provide productivity indices

Activities:

- i. Set up a Committee to determine the design of the productivity indices
- ii. Request KNBS and the umbrella bodies of the Private Sector in supplying the raw data for analysis
- iii. Undertake analysis on productivity indices
- iv. Publish 'Productivity Statistics' annually
- v. Upload key productivity indices to the homepage

Strategy objective 5.2: Incorporate productivity assessment in wage setting

Strategy 5.2.1: Engage with the national wage determination bodies

Activities:

- i. Sensitize the national wage determination bodies on the use of the productivity indices
- ii. Provide productivity indices to the national bodies
- iii. Engage in consultations with any fact-finding body or arbitration tribunal in wage determination

Strategy 5.2.2: Facilitate social partners to make use of the productivity indices

Activities:

- i. Provide training to the social partners on the use of the productivity indices
- ii. Assist in the development of improved methods of work organization geared to the enhancement of productivity levels

Strategy objective 5.3: Facilitate assessment of global competitiveness

Strategy 5.3.1: Establish partnership with international/local institutions undertaking researches on global competitiveness

Activities:

- i. Create partnership with agencies which are conducting researches on global competitiveness assessment
- ii. Build PCK's technical capacity to undertake research related to global competitiveness
- iii. Obtain international benchmarks from the international collaborators

Strategy 5.3.2: Provide measurement guideline and benchmarking

Activities:

- i. Undertake sector-wise benchmark studies
- ii. Compare national performance with international benchmarks
- iii. Set national standards for benchmarks
- iv. Publish handbooks on productivity standards

Strategy 5.3.2: Advise stakeholders on competitiveness enhancement

Activities:

- i. Monitor key indices on Kenya's international competitiveness
- ii. Annually publish development status of Kenya's international competitiveness
- iii. Makes recommendations to the Government for key areas of necessary reforms to increase competitiveness

Strategic Objective 5.4: PCK facilitate assessment of productivity awareness levels.

Strategy 5.4: Undertake productivity awareness survey

Activities:

- i. Design survey and develop questionnaires
- ii. Conduct baseline survey
- iii. Analyze the survey result
- iv. Publish a report on the survey

Strategy Theme 6: Monitoring and Evaluation

Strategic objective 6: Establish monitoring and evaluation system

Strategy 6.1: Establish internal monitoring and evaluation system

Activities:

- i. Establish monitoring and evaluation desk
- ii. Develop key performance indicators
- iii. Assign an officer to monitor the activities as per the Strategic Plan
- iv. Periodically makes a report on the progress of the Strategic Plan

Strategy 6.2: Establish external monitoring and evaluation system

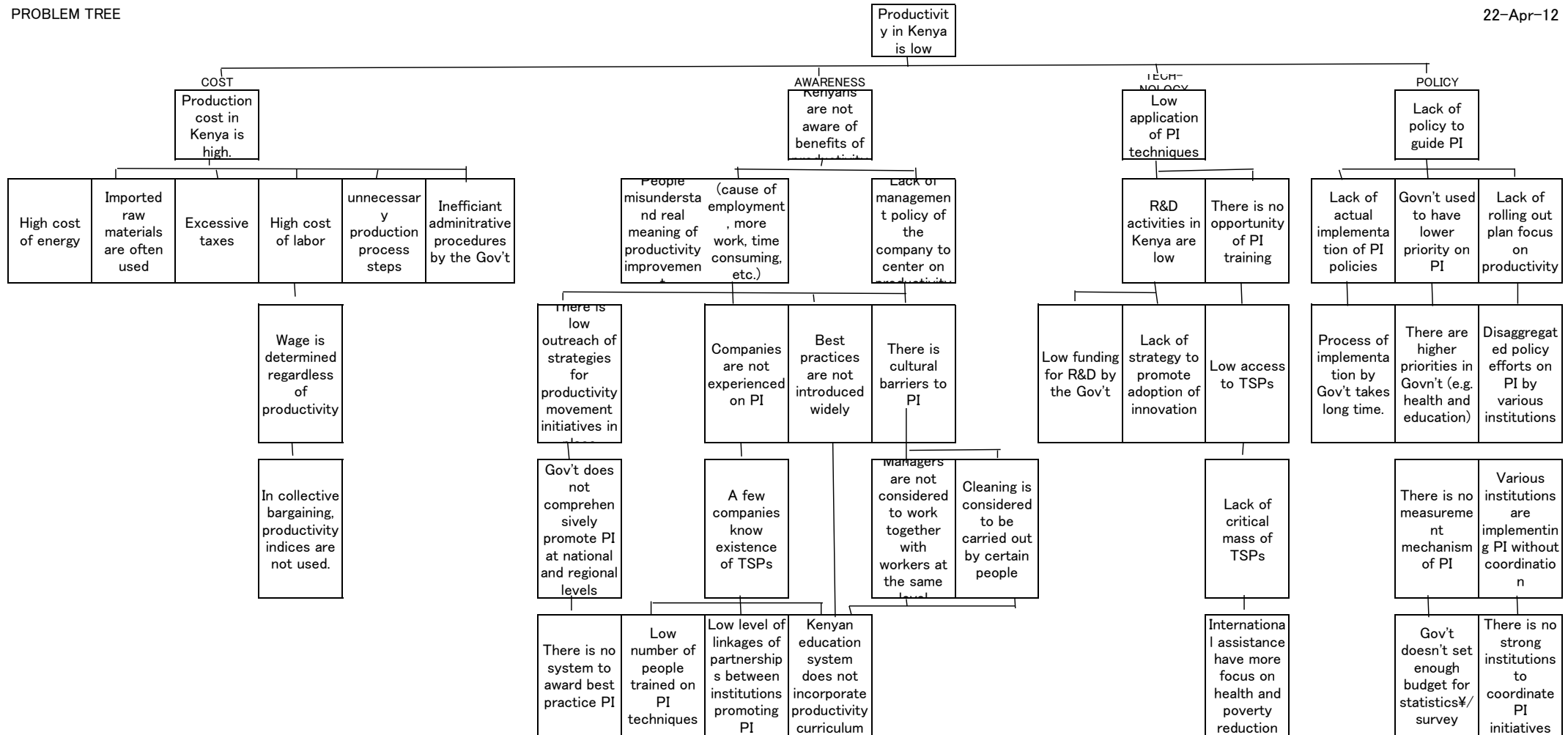
Activities:

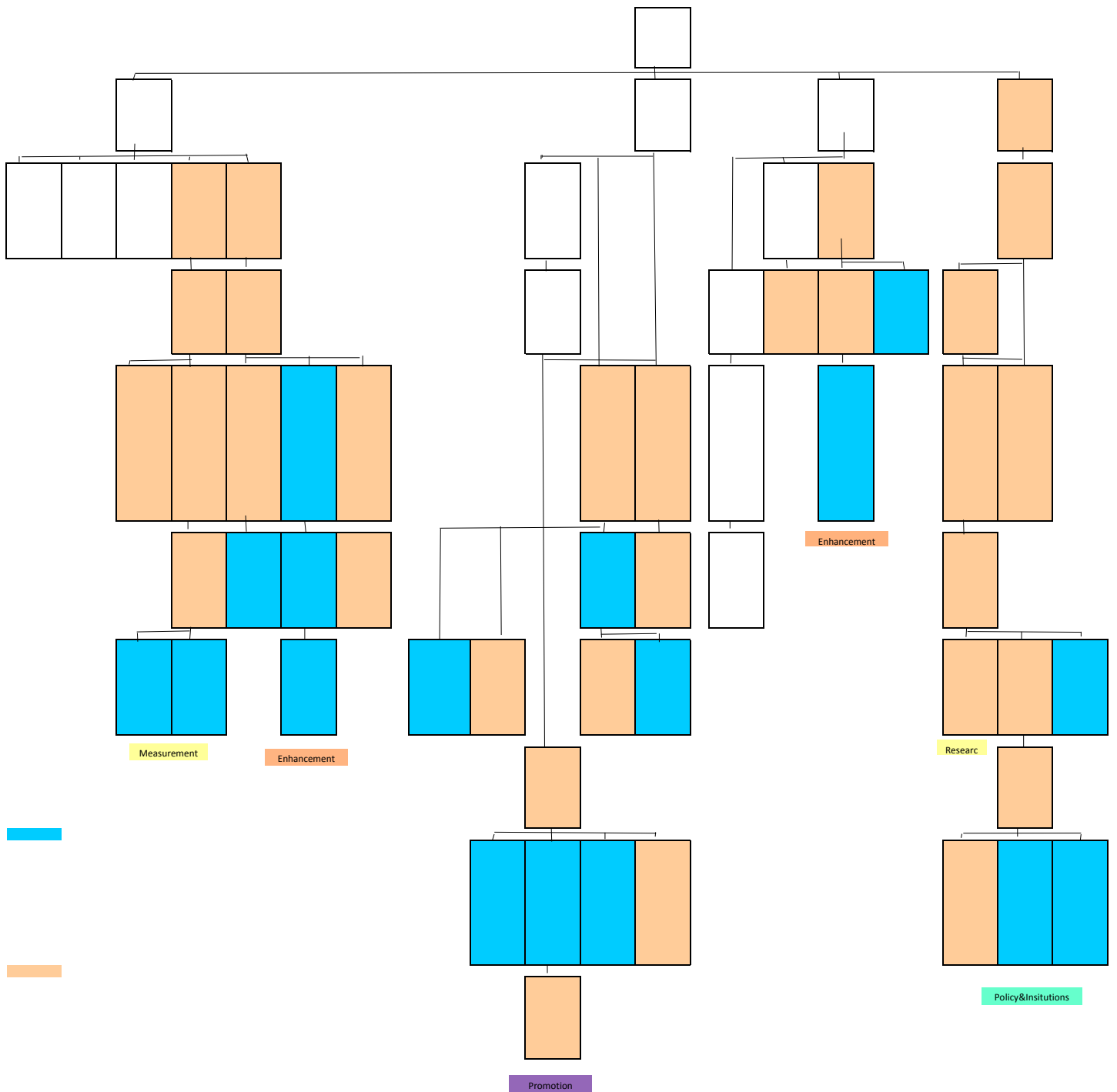
- i. Periodically present a progress report to the Board of Directors
- ii. Receive suggestions from the Board of Directors for improvements and way forward
- iii. Revise the plan according to the suggestions from the Board of Directors

Appendix 9-1

PROBLEM TREE

22-Apr-12





Appendix 10

Improvement level of 5S Implementation (Before – After the pilot consultation)

Company Name	Before consultation	After consultation	Improvement Ratio
1st Year			
Super Manufacturers	10.0%	30.0%	20.0%
Specialised Towel Manufacturers	10.0%	40.0%	30.0%
Supacosc Products	10.0%	40.0%	30.0%
Vegpro (K)	10.0%	40.0%	30.0%
Universal Corporation	10.0%	40.0%	30.0%
C & P Shoe Industries	10.0%	40.0%	30.0%
2nd Year			
Green Forest Ltd.	10.0%	35.0%	25.0%
DAWA Ltd.	10.0%	45.0%	35.0%
Rukuriri Tea Factory	10.0%	45.0%	35.0%
Auto Springs Manufacturers Ltd.	10.0%	40.0%	30.0%
Windsor Hotel	10.0%	40.0%	30.0%
Associated Vehicle Assembler Ltd. (AVA)	10.0%	45.0%	35.0%

Appendix 11

The results of evaluation for ToT on Toyota Production System

How do you evaluate this training session in total?	Excellent	Good	Fair	Poor
	26	9	0	0
	Excellent	Good	Needs improvement	Not applicable
General				
Covered useful material	28	7	0	0
Practical to My Needs and Interests	22	13	0	0
Well Organized	29	6	0	0
Present at the Right level	25	10	0	0
Effective Activities	23	11	1	0
Useful visual aids and handouts	25	6	3	0
Presentation				
Instructor's knowledge	34	1	0	0
Instructor's presentation style	15	17	3	0
Instructor covered material clearly	19	12	4	0
Instructor respond well to questions	18	16	1	0
Understanding of Each Contents				
Kaizen concept based on TPS	27	8	0	0
5S theory and activities	28	7	0	0
5S practice	28	7	0	0
Visual control	25	10	0	0
Just In Time Production	30	5	0	0
Jidoka	23	12	0	0
Quality Assurance	17	17	1	0
Kanban system	11	21	3	0
Dandori	19	16	0	0
Maintenance	22	13	0	0
Stock Control	19	16	0	0
Layout	22	12	0	0
Application in the service	24	9	1	0
What topics do you find it most interesting and think you can utilize soon?				
5S	26			
Just In Time	20			
Maintenance	12			
Visual Control	10			
Jidoka	9			
Quality Assurance	6			
Stock Control	6			
Application in the service	7			
Layout	5			
Kanban	3			
Dandori	3			
If you take the seminar same as you had in the future, how much do you think the appropriate price?				
0~10000ksh	6			
10001~30000ksh	12			
30001~50000ksh	6			
50001~100000ksh	6			
100001~150000ksh	1			
150001ksh~	3			

The results of evaluation for ToT on 5S Internal Assessment

How do you evaluate this training session in total?	Excellent	Good	Fair	Poor
	16	16	0	0
	Excellent	Good	Needs improvement	Not applicable
General				
Covered useful material	20	11	1	0
Practical to My Needs and Interests	22	10	0	0
Well Organized	21	11	0	0
Present at the Right level	22	10	0	0
Effective Activities	23	9	0	0
Useful visual aids and handouts	14	17	1	0
Presentation				
Instructor's knowledge	29	3	0	0
Instructor's presentation style	22	10	0	0
Instructor covered material clearly	21	11	0	0
Instructor respond well to questions	25	7	0	0
How do you utilize the gained knowledge/Skills from this training? Multiple Answer				
a. Implementing 5S in our organization immediately.	22			
b. Utilizing knowledge/Skills in consulting services.	26			
c. Organizing the open seminar/training program inviting outside participants.	10			
d. Holding the internal meeting among my colleagues to share what I have learnt.	22			
e. Writing the articles on them in the magazines, news letters, web-mails	10			
f. Publishing the report	3			
g. Others	0			
If you take the seminar same as you had in the future, how much do you think the appropriate price?				
a. 0~10000ksh	4			
b. 10001~20000ksh	9			
c. 20001~30000ksh	4			
d. 30001~50000ksh	9			
e. 50001~100000ksh	5			
f. 100001ksh~	1			

Appendix 12

Questionnaire on Utilizing the Results of JICA-PCK Training of Trainers

(For Participants of Training of Trainers)

Japan International Cooperation Agency
Productivity Centre of Kenya

This questionnaire survey is implemented to analyze how the participants of JICA-PCK Training of Trainers have utilized the results of the programs, in order to enhance productivity improvement in Kenyan companies/organizations. This questionnaire only includes about 10 questions and will take you about 5-10 minutes. We appreciate your kind reply by 1th November 2013 (Fri).

C1) Name of Participant (First Name/Family Name)

Total "KAIZEN Based on TPS"= 16, "5S Internal Assessment"= 9

C2) Name of Organization/Title (Present)

Organization:

Title:

MA
Answer
Check
Box

C3) Types of your jobs

- | | | |
|---|-----------------|---------------|
| <input checked="" type="checkbox"/> 1) Consultation | TPS=10 (62. 5%) | 5S=5 (55. 6%) |
| <input checked="" type="checkbox"/> 2) Training | TPS=12 (75. 0%) | 5S=7 (77. 8%) |
| <input checked="" type="checkbox"/> 3) Others | TPS=2 (12. 5%) | 5S=1 (11. 1%) |

Answer Box:

*Please select from Pull/Down Botton

MA
Answer
Check
Box

C4) Your clients

- | | | |
|--|-----------------|---------------|
| <input type="checkbox"/> 1) Private companies (medium-large) | TPS=12 (75. 0%) | 5S=4 (44. 4%) |
| <input type="checkbox"/> 2) Private companies (micro-small) | TPS=11 (68. 8%) | 5S=5 (55. 6%) |
| <input type="checkbox"/> 3) Public companies | TPS=9 (56. 3%) | 5S=4 (44. 4%) |
| <input type="checkbox"/> 4) Government/agencies | TPS=9 (56. 3%) | 5S=6 (66. 6%) |
| <input type="checkbox"/> 5) Students | TPS=7 (43. 8%) | 5S=4 (44. 4%) |
| <input type="checkbox"/> 6) Others | TPS=0 (0. 0%) | 5S=1 (11. 1%) |

Q1) Do you think the knowledge/skills which you gained from the training course are useful (Single Answer)?

- | | | |
|---------------------------|------------------|-----------------|
| 1) Yes, very useful. | TPS=16 (100. 0%) | 5S=16 (100. 0%) |
| 2) Yes, useful. | TPS=0 (0. 0%) | 5S=0 (0. 0%) |
| 3) No, not useful. | TPS=0 (0. 0%) | 5S=0 (0. 0%) |
| 4) No, not useful at all. | TPS=0 (0. 0%) | 5S=0 (0. 0%) |

Answer Box:

*Please select from Pull/Down Botton

Q2) Which knowledge/skills in the training course have been the most useful (Multiple Answer)?

MA
Answer
Check
Box

[KAIZEN Based on TPS]

- | | |
|--|-----------------|
| <input type="checkbox"/> 1) 5S theories and practices | TPS=15 (93. 8%) |
| <input type="checkbox"/> 2) Visual control | TPS=12 (75. 0%) |
| <input type="checkbox"/> 3) Just-In-Time/Waste Elimination at production process | TPS=13 (81. 3%) |
| <input type="checkbox"/> 4) Jidoka-Autonomation | TPS=8 (50. 0%) |
| <input type="checkbox"/> 5) Kanban | TPS=8 (50. 0%) |
| <input type="checkbox"/> 6) Maintenance | TPS=9 (56. 3%) |
| <input type="checkbox"/> 7) Stock control | TPS=8 (50. 0%) |
| <input type="checkbox"/> 8) TPS application in the service | TPS=10 (62. 5%) |
| <input type="checkbox"/> 9) Others | TPS=0 (0. 0%) |

Free Answer:

[5S Internal Assessment]

- | | |
|---|---------------|
| 1) 5S theories | 5S=8 (88. 9%) |
| 2) PDCA Cycle | 5S=7 (77. 8%) |
| 3) 5S assessment preparation (planning, making the checklist) | 5S=6 (66. 7%) |
| 4) 5S assessment exercise | 5S=7 (77. 8%) |
| 5) 5S assessment reporting | 5S=8 (88. 9%) |
| 6) Others | 5S=1 (11. 1%) |

Free Answer:

Q3) Please specify how you have utilized the knowledge/skills which you gained from the training course (Multiple Answer)?

MA
Answer

- | | | | |
|--------------------------|--|----------------|--------------|
| <input type="checkbox"/> | 1) Utilizing them in consulting services. | TPS=10 (62.5%) | 5S=2 (22.2%) |
| <input type="checkbox"/> | 2) Organizing /Holding the open seminar/training program inviting outside participants/students. | TPS=7 (43.8%) | 5S=2 (22.2%) |
| <input type="checkbox"/> | 3) Holding the internal meeting among my colleagues to share what I have learnt. | TPS=12 (75.0%) | 5S=6 (66.7%) |
| <input type="checkbox"/> | 4) Writing the articles on them in the magazines, news letters, web-mails, etc. | TPS=0 (0.0%) | 5S=0 (0.0%) |
| <input type="checkbox"/> | 5) Publishing the report. | TPS=0 (0.0%) | 5S=2 (22.2%) |
| <input type="checkbox"/> | 6) Others. <input type="text" value="Free Answer:"/> | TPS=1 (6.3%) | 5S=1 (11.1%) |

Q4) (Those who answer "1) Utilizing them in consulting services." in Q3)
How many clients' companies have you implemented the consulting services, by utilizing the results of the training course?

Numbers of companies
(Free Answer):

* Please proceed to Q6

TPS= 20 companies by 9
persons

5S= 1 company by 1 person

Q5) (Those who answer "2) Organizing/Holding seminars/training programs inviting outside participants/students" in Q3). How many seminars/training programs have you organized, by utilizing the results of the training course (including being the resource speaker yourself)?

Numbers of
Seminar/Training
Program (Free Answer):

TPS= 15 programs by 7
persons

5S= 6 programs by 2 persons

Total numbers of
trainees which you
trained (approximate)

* Please proceed to Q9

TPS= 1,479 trained

5S= 350 trained

Q6) (Those who answer "1) Utilizing them in consulting services." in Q3)
What kinds of activities have you implemented (Multiple Answer)?

MA
Answer
Check
Box

[KAIZEN Based on TPS]

- | | | |
|--------------------------|---|---------------|
| <input type="checkbox"/> | 1) Implementing 5S. | TPS=7 (70.0%) |
| <input type="checkbox"/> | 2) Implementing visual control. | TPS=4 (40.0%) |
| <input type="checkbox"/> | 3) Implementing KAIZEN to eliminate various wastes of workshop. | TPS=5 (50.0%) |
| <input type="checkbox"/> | 4) Implementing cost reduction activities. | TPS=4 (40.0%) |
| <input type="checkbox"/> | 5) Others <input type="text" value="Free Answer:"/> | TPS=0 (0.0%) |

[5S Internal Assessment]

- | | | |
|--------------------------|--|--------------|
| <input type="checkbox"/> | 1) Implementing company-wide 5S. | 5S=1 (20.0%) |
| <input type="checkbox"/> | 2) Implementing 5S partially in the company. | 5S=1 (20.0%) |
| <input type="checkbox"/> | 3) Implementing visual control, based on 5S. | 5S=1 (20.0%) |
| <input type="checkbox"/> | 4) Implementing KAIZEN to eliminate various wastes of workshop, based on 5S. | 5S=1 (20.0%) |
| <input type="checkbox"/> | 5) Others <input type="text" value="Free Answer:"/> | 5S=1 (20.0%) |

Q7) (Those who answer "1) Utilizing them in consulting services." in Q3)
Could you please specify the activities you have implemented (Free Answer)?
(Answer Box)

Q8) (Those who answer "1) Utilizing them in consulting services." in Q3)
What results have you obtained from the consulting services in the client companies (Multiple Answer)?

MA
Answer

- | | | | |
|--------------------------|---|---------------|--------------|
| <input type="checkbox"/> | 1) The workplace has become neat and clean. | TPS=8 (80.0%) | 5S=1 (20.0%) |
| <input type="checkbox"/> | 2) Productivity (production amount per hour or per employee) has increased. | TPS=5 (50.0%) | 5S=1 (20.0%) |
| <input type="checkbox"/> | 3) Production delivery time has improved. | TPS=5 (50.0%) | 5S=1 (20.0%) |
| <input type="checkbox"/> | 4) The defect rate has decreased. | TPS=4 (40.0%) | 5S=1 (20.0%) |
| <input type="checkbox"/> | 5) Works/operations gets easier. | TPS=6 (60.0%) | 5S=1 (20.0%) |
| <input type="checkbox"/> | 6) The workplace atmosphere gets better. | TPS=7 (70.0%) | 5S=1 (20.0%) |
| <input type="checkbox"/> | 7) The staff gets to work together cooperatively. | TPS=5 (50.0%) | 5S=1 (20.0%) |
| <input type="checkbox"/> | 8) The moral of workshop has been improved. | TPS=4 (40.0%) | 5S=1 (20.0%) |
| <input type="checkbox"/> | 9) Sales amount has increased. | TPS=2 (20.0%) | 5S=1 (20.0%) |
| <input type="checkbox"/> | 10) Others <input type="text" value="Free Answer:"/> | TPS=1 (10.0%) | 5S=1 (20.0%) |

* Please proceed to Q9

Q9) If you can participate in other programs, what topics of the programs would you like? (Please select any of the management fields in which you are interested and specify the topics in the blank space) (Multiple Answer)

MA
Answer
Check
Box

[KAIZEN Based on TPS]

- | | | |
|--------------------------|--|-----------------|
| <input type="checkbox"/> | 1) 5S assessment | TPS=7 (43. 8%) |
| <input type="checkbox"/> | 2) Quality control tools | TPS=7 (43. 8%) |
| <input type="checkbox"/> | 3) Total quality management | TPS=11 (68. 8%) |
| <input type="checkbox"/> | 4) Total preventive maintenance | TPS=5 (50. 0%) |
| <input type="checkbox"/> | 5) Management strategy & planning | TPS=10 (62. 5%) |
| <input type="checkbox"/> | 6) Marketing & sales | TPS=2 (12. 5%) |
| <input type="checkbox"/> | 7) Personnel management | TPS=6 (37. 5%) |
| <input type="checkbox"/> | 8) Environmental management | TPS=7 (43. 8%) |
| <input type="checkbox"/> | 9) Service process improvement | TPS=10 (62. 5%) |
| <input type="checkbox"/> | 10) Others <input type="text" value="Free Answer:"/> | TPS=1 (6. 3%) |

[5S Internal Assessment]

- | | |
|--|---------------|
| 1) KAIZEN Based on Toyota Production System | 5S=3 (33. 3%) |
| 2) Quality control tools | 5S=4 (44. 4%) |
| 3) Total quality management | 5S=3 (33. 3%) |
| 4) Total preventive maintenance | 5S=4 (44. 4%) |
| 5) Management strategy & planning | 5S=7 (77. 8%) |
| 6) Marketing & sales | 5S=1 (11. 1%) |
| 7) Personnel management | 5S=3 (33. 3%) |
| 8) Environmental management | 5S=1 (11. 1%) |
| 9) Service process improvement | 5S=7 (77. 8%) |
| 10) Others <input type="text" value="Free Answer:"/> | 5S=0 (0. 0%) |

Thank you very much for your cooperation!

Return of the survey

Please return the completed survey by email to:

JICA Project Team on Productivity Improvement in Kenya

E-Mail: ****@****

Appendix 13

Questionnaire on 5S Activities and the Needs for 5S Award/Certification -Results

PCK/ JICA Expert Team

This is the questionnaire for studying the 5S practice in Kenya and considering the needs for 5S Award/Certification of Kenyan Companies. We would appreciate your kind cooperation.

Name		Date of Submission	
Title			
Organization			

Total 57(100%), Companies 19(33.3%), Government 7(12.3%), University 11(19.3%), TSPs 20(35.1%)

1. Do you know 5S concept? (Choose one item applicable)

- a. Yes, very well b. Yes, to some extent c. Not very much d. Not at all

42(73.7%)

9 (15.8%)

6(10.5%)

0(0.0%)

*5S is the name of a workplace organization methodology that uses a list of five Japanese words which are Seiri, Seiton, Seiso, Seiketsu and Shitsuke. Translated into English, they all start with the letter "S". The list describes how to organize a work space for efficiency and effectiveness by identifying and storing the items used, maintaining the area and items, and sustaining the new order.

2. Has your company ever implemented 5S activity? (Choose one item applicable)

- a. Yes. And we have been implementing it till now. 10(40.0%)
 b. Yes. But we stopped the implementation. 4(16.0%)
 c. No. We have considered, but not implemented it. 5(20.0%)
 d. No. We have never thought about it. 6(24.0%) NA 32

3. What do you think the benefits of 5S? Please choose one from 1-4 applicable by each comment.

	Yes	<==	==>	No
	1	2	3	4
a. 5S activity enables us to visualize various wastes at the workshop.	49(89.1%)	5(9.1%)	1 (1.8%)	0(0%)
b. Through 5S, the moral at the workshop is improved.	35(64.8%)	16(29.6%)	2(3.7%)	1(1.9%)
c. Through 5S, we can improve the consciousness of workers /managers towards productivity improvement.	47(85.5%)	7(12.7%)	1 (1.8%)	0(0.0%)
d. After implementing 5S, we can apply further productivity improvement activities, such as KAIZEN, QC, Lean, etc.	48(87.3%)	6(10.9%)	1 (1.8%)	0.0(0%)

4. What do you think the difficulty to implement / sustain 5S? Please choose one from 1-4 applicable by each comment.

	Yes	<==	==>	No
a. Workers do not cooperate with 5S without clear incentives.	1	2	3	4
	12(23.5%)	26(51.0%)	9(17.65%)	4(7.8%)
b. Top executives are not satisfied with 5S, because they think that 5S does not create profit.	1	2	3	4
	22(42.3%)	13(25.0%)	7(13.5%)	10(19.2%)
c. We do not know how to implement 5S.	1	2	3	4
	12(24.5%)	12(24.5%)	16(32.7%)	9(18.4%)
d. It is difficult to maintain the moral of workers for 5S.	1	2	3	4
	7(14.0%)	10(20.0%)	22(44.0%)	11(22.0%)
e. After achieving certain level of 5S, it is difficult to set the goal of 5S.	1	2	3	4
	6(12.0%)	12(23.1%)	14(26.9%)	20(38.5%)

5. Now Productivity Centre of Kenya (PCK) under Ministry of Labour is considering the needs for establishing 5S Award/Certification. In 5S Award/Certification, PCK will support the company to introduce 5S activities by guiding the implementation of 5S Internal Audit, as well as conducting the training on 5S Internal Auditors for the company. And after the 5S Internal Audit, we will send the 5S Auditor to assess the level of 5S and give the 5S Award/Certification accordingly. Suppose PCK establishes the 5S Award/Certification, would your company like to apply it? (Choose one item applicable)

- a. Yes, we are interested in applying it very much. 37(72.5%)
- b. Yes, we will consider if our 5S System is in place. 13(25.5%)
- c. No, we are not so interested in applying it. 1(2.0%)
- d. No, we are not interested in applying it at all. 0(0%) NA 6

5-1) (Please answer those who choose “a” and “b” in “Question 5”) What are the reasons that you are interested in 5S Award/Certification? (Choose all items applicable)

- 26(45.6%) a. Our reputation is improved by 5S Award/Certification.
- 45(78.9%) b. 5S Award/Certification can motivate the managers/workers to sustain productivity improvement activities.
- 34(59.6%) c. 5S Award/Certification assures the excellence of our management system.
- 21(36.8%) d. Any award/certification from the governmental organization gives our company great benefits.

5-2)(Please answer those who choose “a” and “b” in “Question 5”) How much can your company afford to pay for applying 5S Award/Certification? (Choose one item applicable)

- a. 0~10,000 KSH 8(14.0%)
- b. 10,001~20,000 KSH 9(15.8%)

- | | |
|--------------------------|-----------|
| c. 20,001～30,000 KSH | 2(3.5%) |
| d. 30,001～50,000 KSH | 11(19.3%) |
| e. 50,001～100,000 KSH | 9(15.8%) |
| f. More than 100,001 KSH | 2(3.5%) |
| g. Others (| 2(3.5%)) |

5-3)(Please answer those who choose “c” and “d” in “Question 5”) What are the reasons that you are not interested in 5S Award/Certification? *(Choose all items applicable)*

- | | |
|-------|---|
| 0(0%) | a. 5S Award /Certification doesn't give our company any benefits. |
| 0(0%) | b. 5S Award/Certification doesn't assure the excellence of our management system. |
| 0(0%) | c. Any award/certification from the governmental organization does not give our company any benefits. |
| 0(0%) | d. We have already got the different award/certification. |
| 0(0%) | e. Others () |
| NA 1 | |

6. Is there any request to PCK, in terms of the service on training/consultation? *(Free answer)*

Thank you very much for your cooperation!

Appendix 14

5S ASSESSMENT SCORE

NO	AREA	CATEGORY	SUB-INDICATORS	SCORE
1	Major requirements for 5S Implementation	5S Policy	5	25
		5S Organization	2	10
		5S Corner	2	10
		5S Group & 5S Corner for the group	3	15
		5S Planning and implementation schedule	3	15
		5S Group Activity Record	3	15
		Discipline/Workers attitude	2	10
		Training program for the workers	1	5
		Promotion Activity	1	5
		Promotion and Appreciation to the Workers	1	5
		Evaluation of Effectiveness	3	15
		Review by the management	2	10
2	OFFICE AREA	Floor	3	15
		Equipment Arrangement	3	15
		Stationery and Equipment	3	15
		File Arrangement	2	10
		File decor	5	25
		Walls and ceilings	2	10
3	PRODUCTION/OPERATION DIVISION	Floor (processing Plant)	12	60
		Machine(Workshop)	12	60
		Material	5	15
		Finished Goods and process Flow	3	15
		Visual Control	3	15
		Staff	3	15
4	STORAGE AREA	Warehouse	15	75
5	GENERAL AREA/AMENITIES	Rest Area (i) Workers	4	20
		(ii) Visitor	3	15
		Meeting/Training Room	3	15
		Recreation Area	2	10
		Canteen	4	20
		Toilet	4	20
6	GENERAL ENVIRONMENT	Company's Signboard	3	15
		Plant Tree	2	10
		Parking Lot	2	10
		Guard Post	2	10
		Waste Disposable Area	3	15
	TOTAL SCORE			655

Star Rating- 5S Implementation Achievement

SCORE	STATUS	RECOMMENDATION
<30%	Non Compliance	<input type="checkbox"/> RE AUDIT
31% - 50%	Beginning stage of understanding	<input type="checkbox"/> ★
51% -70%	Visible signs of initial implementation and sustaining the 5S effort is focused at the Zone by leadership level	<input type="checkbox"/> ★ ★
71% - 80%	Many areas are implementing 5S concepts and sustaining effort is wide spread in the organization	<input type="checkbox"/> ★ ★ ★
81% - 90%	5S concepts fully deployed, sustain with top management participation in Gemba reviews with recognition system in place	<input type="checkbox"/> ★ ★ ★ ★
91% - 100%	5S concepts fully deployed, sustain with <u>regular</u> top management participation in Gemba reviews <u>integrated to productivity improvements</u> . There are <u>continuous</u> recognition system in place	<input type="checkbox"/> ★ ★ ★ ★ ★

Raise job output, Japanese experts advise Kenyans

By MARGARET KANINI

The Government is determined to raise labour productivity index from the current 2.2 to above 4.

Labour Cabinet Secretary Kazungu Kambi (**right**) said a high index would help Kenya attain middle-income status as stipulated in the Vision 2030 blueprint.

Kambi said the country should borrow a leaf from Asian tigers, who have embraced productivity as their central focus and consequently have achieved a productivity of above 5 percent, with Japan leading at 7.5, Malaysia 5.6 and in Africa, South Africa with 5.5.

"These countries have vibrant productivity improvement programmes that equip workers with skills that enhance output," said Kambi in a speech read by PS Ismail Noor yesterday during a seminar on product improvement.

Ismail urged businesses to implement the Sh13,674 mini-



mum wage as directed by the president last year. Representatives from Japan International Cooperation Agency (Jica) noted that for Kenya to achieve maximum productivity, there must be adequate awareness and training.

STANDARDS OF LIVING

Japanese productivity experts added that increased productivity will create jobs for the locals, increase Kenya's GDP and eventually improve the standards of living.

"Increased GDP is the main indicator of a country's wealth and prosperity", Takesh Fujita, from Japan Productivity Centre and a Jica expert told the meeting.

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Productivity Seminar Held In Nairobi

The technical cooperation between the Kenyan government through the Productivity Center of Kenya (PCK) and Japanese government through JICA to implement a two year project that commenced March 2012 ends in February 2014.

The PCK is domiciled in the ministry of labour and entered into co-operation with JICA with the objectives of training of business, promotion of productivity concepts, facilitation and completion of a national productivity improvement activity amongst 12 companies within Kenya.

Permanent Secretary Labour, Social Security and Services, Ali Noor Ismail speaking during the a seminar in Nairobi on Tuesday said that the government is committed to ensuring that productivity is adopted as a way of life for the benefit of the country both at the National and county governments.

He added that the adoption of the productivity practices especially in industries is expected reduce wastage of resources and higher productivity leading to more profitability and expansion activities.

Purity Kamau, Director Center of Kenya (PCK), who also addressed the seminar said the mandate of PCK is to promote adoption of practices for enhanced productivity and competitiveness through sensitizations, trainings and policy influencing based on productivity research.

Speaking also at the seminar, Takeshi Fujita, JICA Expert (Japan Productivity Center) stressed on the need for cooperation and mutual understanding between employers and employees which will in turn improve productivity and therefore profitability.

By John Ayodi

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Government rolls out second phase productivity improvement programme

By John Ayodi



Permanent Secretary in the Ministry of Labor Ali Noor Ismail said Kenya would easily attain the 10 percent economic growth target in a short period if Kenyans embrace productivity practices.

The Ministry of Labor and Social Security yesterday rolled out the second phase of the productivity improvement programme.

Principal Secretary in the ministry of Labor Ali Noor Ismail said Kenya would easily attain the 10 percent economic growth target in a short period if Kenyans embrace productivity practices.

Noting that Kenya's productivity level is extremely low compared to Japan and Malaysia, Labor Principal Secretary Ali Noor Ismail said the Productivity seminar was target productivity improvement in the country by training workers on how to formulate good management practices.



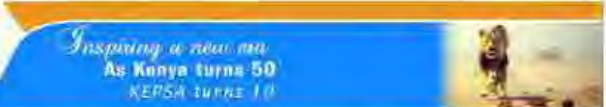
He said that Japanese concept (JICA) which means continuous improvement of productivity will help the country to achieve its 10% GDP target within a short time.

During the first phase of the productivity improvement, the ministry of Labor will adopt the Productivity policy.

Director Productivity Center of Kenya Purity Kamau said a total of six experts and six companies had prepared a module of productivity programme for clients.

JICA expert Takeshi Fujita said the project would target to revitalize the country's economy by

promoting exports of products with quality standards.

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KEPSA attends a productivity promotion seminar for productivity improvement in Kenya



KEPSA attended a productivity promotion seminar on Tuesday 26th January, 2014 at Nairobi hotel. The meeting discussed application of Japanese KAIZEN concept for productivity improvement in Kenya. The main host was Productivity Center of Kenya (PCK) under the Ministry of Labour, Social Security and Services in partnership with the Japan International Cooperation Agency (JICA). Most of the participants were drawn from the private sector with a few memberships from the government, civil society and NGOs, the donor society.

Productivity is a measure of the efficiency of a person, machine, factory, system, etc., in converting inputs into useful outputs. According to Malaysian government, productivity is all about a change in mindset. It's about finding new and innovative ways to do things better – ways that will enable you to work less and yet achieve more. Simply put, productivity is the efficiency with which a firm converts inputs into outputs. Since staff represents the largest cost for many firms, labour productivity has special importance and vitally affects competitiveness.

Traditionally, improvement of labour productivity has been confined to staff training, improving knowledge and skills of staff, investment in equipment and new technology and better employee motivation. Yet, the application of KAIZEN concept has been proven globally to be an important tool for productivity improvement. Particularly, first developing economies such as Singapore, Malaysia, Japan and China owe their economic growth to KAIZEN. Consequently, if Kenya is to achieve GDP growth of 10% annually as envisioned in the Vision 2030 then application of KAIZEN must be fully embraced.

Though operationalized in some firms, last year, the Japan International Cooperation Agency (JICA) project in collaboration with the Productivity Centre of Kenya (PCK) carried out a pilot study in six companies: Green Forest; DAWA Ltd; Rukuriri Tea Factory; Auto Springs; Windsor Hotel and AVA on the application of Japanese KAIZEN Concept for productivity improvement in Kenya. Two of these organizations (Rukuriri Tea Factory and Green Forest) shared their experience during the seminar while all the six pilot companies received certificates for successful completion/implementation of KAIZEN.

Rukuriri Tea Factory Key Messages

Was nominated for KAIZEN productivity improvement in 2012 with focus on packing, stoppage of machinery, reduction of spillages and 5S (Sort-cleaning up; Set in Order-organizing; Shine-cleaning; Standardizing and Sustain-discipline) for the whole factory, stores, offices and general compound.

Benefits

- Free work place and boosting of employee morale
- Reduced search time hence increased productivity
- Reduced accidents and cleaning time
- Reduced learning time/orientation for the new staff

Challenges

- Inadequate training
- Limited resources
- High cost of some of the materials and capital expenditure to apply KAIZEN

Green Forest Ltd

This is a privately owned company that produces peanuts and honey. The company opened door in 2001 with a capital of Kes. 15,000 but currently has a capital base of Kes.57 million with 25 employees. KAIZEN was implemented in May 2013.

Benefits

- Increased supply thus meeting market demand in time
- Efficient work
- Reduced energy consumption
- Due to increased production, the staff no longer work on Saturdays as before hence employees are happier and more hard working



Kenya's productivity levels performing poorly

28 January 2014, 20:30

Samuel Kisika



Nairobi - The Ministry of Labor has raised concern over the country's poor productivity performance despite having economic potential, the required manpower and the political goodwill.

Cabinet Secretary Ministry of Labour, Samuel Kambi said that effort has to be put in to change the citizens' mindsets, culture and attitude in all activities they engage in to rescue the country's stagnated productivity index of 2.2.

"In Kenya, we must raise our labor productivity index from the current 2.2 to above 4.0 if we were to achieve a middle income status as stipulated in the Vision 2030 blue print," said Kambi.

Kambi noted vibrant productivity improvement programmes should be adopted to equip workers with skills that enhance productivity among other initiatives such as reducing wastage in all sectors and adequate use of scarce resources.

"The uptake of productivity practices especially in industries will result in reduced wastage of resources and higher productivity leading to more profitability and expansion of activities," noted Kambi.

"I challenge the employers and the Unions to seriously consider negotiating salaries while at the same time focusing on and factoring in productivity. This will help in pegging wages on the productivity of the employees," he added.

Kambi assured that the government is committed to strengthening the Productivity Center of Kenya (PCK) through legislation and increase the human capital necessary to boost the institution.

He added that the government will ensure that productivity is adopted as a way of life for the benefit of the national and County governments.

Kambi was speaking during the Productivity Promotion Seminar.

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How low labour productivity pricks Kenya's growth bubble

Updated Saturday, February 1st 2014 at 22:17 GMT +3

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By WINSLEY MASESE

Getting the best out of a talented employee is a great asset to enhance business growth and profitability.

Besides, encouraging and motivating an average workforce to put their best foot forward is the fulcrum that has seen companies and governments achieve phenomenal growth and improved service delivery.

With Kenya's low labour productivity stagnating at 2.2, out of a score of 10, achieving a middle-income economy as stipulated in Vision 2030 might be a hard nut to crack.

"Though Kenyans are among the most skilled and educated in the region, their negative attitude and perception towards work remain the greatest challenge to realising improved growth," said Jacqueline Mugo, the Federation of Kenya Employers (FKE) Chief Executive.

She says failure to have a committed workforce is a major challenge that can put a break to the country's long-term development plans.

Samson Osero, the executive director at the Institute of Human Resource Management (IHRM) agrees that Kenya's low labour productivity revolves around work ethics.

"This goes to an extent that workers do not observe time and even after reporting late, they see nothing wrong in it," he said. Though time, Osero says, is part of the production process, observing punctuality to a greater extent does not mean anything to them. For example, Osero noted that often times, meetings start late in Kenya because people arrive late.

"In Japan, which has the highest labour productivity rate, if they agree to meet at 10am, they will arrive 15 minutes to the scheduled time so that by the agreed time, they will kick off their business," Osero stated.

Salary increase

During a workshop held in Nairobi last week, Labour Cabinet Secretary Kazungu Kambi noted that whereas Kenya has economic potential, the required manpower and the political goodwill, its low and poor productivity performance is a major concern.

Kambi concurred with Mugo that the citizen's mind-set, culture and attitude in all activities they engage in have bogged down Kenya's economic growth projections.

Amid numerous employee unrests for increased salaries, lack of data for informed decisions on any salary increase that is commensurate with their productivity throws the scenario into a mix. "In most cases, demand for increased pay is dictated by inflation," observed Mugo.

During the seminar, Kambi challenged employers and the unions to seriously consider negotiating salaries while at the same time focusing on and factoring productivity. This, he observed, will help in pegging wages on the productivity of the employees.

The rising wage bill, Mugo notes, is one critical area that needs to be looked at as continuous demand for higher wages will have a push up effect on the economy. "In Kenya, we must raise our labour productivity index from the current 2.2 to above 4.0 if we are to achieve a middle income status as stipulated in the Vision 2030 blue print," Kambi advised.

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How low labour productivity pricks Kenya's growth bubble

updated Saturday, February 1st 2014 at 23:17 GMT +3

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He noted that vibrant productivity improvement programmes should be adopted to equip workers with skills that enhance productivity among other initiatives such as reducing wastage in all sectors and adequate use of scarce resources.

"The uptake of productivity practices especially in industries will result in reduced wastage of resources and higher productivity leading to more profitability and expansion of activities," noted Kambui. Globally, Japan, the third largest economy has the highest labour productivity, at 7.6. According to the Japan International Cooperation Agency (Jica), an increase in productivity improves the standard of living of people in a given economy.

Takeshi Fujita, from Japan Productivity Centre and a Jica expert observed that increased GDP is the main indicator of a country's wealth and prosperity.

"The potential, the resources and infrastructure are there and how to apply them in their minds for improved performance is the challenge," she argued.

She advised against discrimination at the workplace on matters touching on promotion and salary increment as this might have a direct bearing on a worker's productivity. However, Osero warns: "Inequitable practices in compensating employees kill morale."

In some cases, Osero says there is no compensation for work done that matches what is competitively in the market.

Mismatch of skills

Besides, distorted salary scales dampens the creativity of other employees and consequently affects the company's ability to create more jobs and wealth for society.

Organisations, Osero advises, must ensure that workers are adequately compensated and the bonus given motivates them to achieve greater results. In some cases, employee recognition plays the trick in igniting the creativity of employees to strive for the same. With a job market where there is a mismatch of skills, Mugo underscored the need to project on the future of career needs and offer the necessary training.

"Even more alarming is the fact that continuous improvement at the work place is not emphasised and even after achieving a higher target a particular month, many do not bother how to improve from there," Osero noted. Mugo regrets that a lack of assessment on labour productivity done has seen no planning done to ensure the gaps are filled in future.

"There must be a forecast of the skills to be needed in the future and align trainings to meet the demands," said Mugo. In Japan for example, Osero said that before one starts to work, he or she has to clear the desk. A cluttered desk, he argued, is an element of poor working systems and a demonstration of work not finished.

One way to achieve improved productivity, he said, is through setting new targets on a daily or monthly basis by putting in place systems and processes to achieve that.

LATEST Kampala changed from goalposts to stakes and now sets priorities

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Home / National / Bill to boost productivity mooted to spur growth

Bill to boost productivity mooted to spur growth

By Brian Ngunjiri

Rents are on law to address alarming levels of productivity in the country's public and private sectors. Labour Principle Secretary Ali Yoon Ismail disclosed yesterday that the proposed law would boost the country's productivity among all sectors of the economy, which experts say are among the lowest in the world.

"We are working with the office of the Attorney General and Parliament to see how the Productivity Bill will be fast tracked before the end of this financial year," Ismail said yesterday. The PS said the proposed legislation would help the country replicate economic successes that have been witnessed elsewhere. "Countries like Malaysia and Singapore have prioritised the boosting of productivity levels, a move that has seen them witness phenomenal economic growth.

"This is what we want to replicate," he said. He was speaking in Nairobi during a seminar on the implementation of a productivity improvement programme sponsored by the Japanese government. The programme has been running for the last two years and ends next month.

Labour PS Kasungu Kamukia in a statement read on his behalf, reiterated call by President Uhuru Kenyatta on the need to reduce wastage particularly in the public sector. "The rising wage bill is alarming, hence the need to adopt productivity to contain the recurrent expenditure," he said. — **By BRIAN NGUNJIRI**

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List of Interviewees for Project Planning and the Study on Policy/
Organization Building/Productivity Measurement

Date	Name	Organization
(1 st Study in Kenya)		
12 April 2012	Mrs. Philomera Koech, Director of Administration; Mr. Tom Namasaka, Assistant Director of Information	Ministry of Labour (MoL)
16 April 2012	Mr. Julius Muia, Secretary; Mr. Kimani, Director of Economic Sector; Mr. Patrick Ngumi, Director of Private Sector, Enablers & Competitiveness	National Economic and Social Council (NESC)
16 April 2012	Mr. Noah Chanyisa Chune, Research Economist / Director of Education	Central Organization of Trade Unions of Kenya (COTU)
17 April 2012	Mr. James Gatungu, Director of Production Statistics; Ms. Lilian Narunda and Mr. Steven Nyoiky, Labour Statistics	Kenya National Bureau of Statistics (KNBS)
17 April 2012	Mr. Hiroshi Kamatsuzaki, Executive Director	JETRO Nairobi Office
18 April 2012	Mr. Stephen Kirui, Principal;	Kenya Institute of Business Training (KIBT)
18 April 2012	Ms. Lineth Oyugi, Head of Research and Policy Advocacy; Ms. Eva Otieno, Consultancy Department	Federation of Kenya Employers (FKE)
20 April 2012	Mr. Matsushima, Ms. Tachibana and Mr. Lewell G. Njehia, OVOP Team	Ministry of Industrialization (MoI)
20 April 2012	Mr. Mugo Kibati, Director General	Vision 2030 Delivery Secretariat
20 April 2012	About 20 directors/staff of Japanese companies in Kenya	Monthly Meeting of Japanese Society of Commerce and Industry (JETRO Nairobi Office)
20 April 2012	Mr. Toshihisa Takata, Ambassador of Japan; Mr. Masahiro Hagiwara, Second Secretary	The Embassy of Japan in Kenya
23 April 2012	Mr. Nyambati Kennedy, Deputy Director-Social Affairs	Ministry of the East African Community
24 April 2012	Mr. Fred Odhiambo, Manager, KAM Consulting	Kenya Association of Manufacturers (KAM)
24 April 2012	Ms. Anne Olubendi, Acting Secretary, Strategy and Delivery Unit	Prime Minister's Office
26 April 2012	Mr. Moses O. Ogola, Director of Planning; Mr. Eric L. Namwalo, Sectoral Planning Directorate, MoP	Ministry of State for Planning, National Development and Vision 2030
26 April 2012	Mr. Carole Kariuki, Chief Executive Officer	Kenya Private Sector Alliance
26 April 2012	Prof. Hiroyuki Hino, Economic Advisor to the Prime Minister	Prime Minister's Office
4 July 2012	Ms. Jaqueline Mugo, OGW, Executive Director	Federation of Kenya Employers (FKE)
3 August 2012	Mr. Tatsuya Takada, Second Secretary	The Embassy of Japan in Kenya

Date	Name	Organization
(2 nd Study in Kenya)		
24 October 2012	Ms. Lineth Oyugi, Head of Research and Policy Advocacy; Ms. Eva Otieno, Consultancy Department Mr. Francis Kodhiambo, Marketing Manager	Federation of Kenya Employers (FKE)
25 October 2012	Mr. Robert K. Nderitu, Senior Manager, Labour Statistics Division, Mr. Isaac Ndegwa, Senior Manager, Industrial Statistics	Kenya National Bureau of Statistics (KNBS)
26 October 2012	Mr. Barasa S. Adams, Private Assistant to Secretary General Mr. Albert N. Obed, Secretary General, Kenya Union of Domestic, Hotels, Educational Institutions, Hospitals and Allied Workers Mr. Benson O. Okwaro, General Secretary, Communication Workers Union of Kenya	Central Organization of Trade Unions of Kenya (COTU)
30 October 2012	Dr. Dickson Khainga, Senior Analyst, Head, Macroeconomics Division	Kenya Institute for Public Research and Analysis (KIPRA)
31 October 2012	Mr. Robert K. Nderitu, Senior Manager, Labour Statistics Division, Mr. Isaac Ndegwa, Senior Manager, Industrial Statistics Mr. Benjamin M. Muchiri, Manager, National Accounts	Kenya National Bureau of Statistics (KNBS)
8 November 2012	Mr. Henry Rotich, Deputy Director, Economic Affairs Department, Mr. Peter Chacha Wankuru, Senior Economist, Economic Affairs Department	Ministry of Finance (MoF)
13 November 2012	Mr. Alfred Mogere, Senior Deputy Secretary of Administration Mr. Patrick Mwangi, Deputy Secretary of Administration Ms. Winnie Karingithi, Chief Economist Mr. Kennedy Sakwa, Assistant Director; Human Resource Development Ms. Catherine Ng'ang'a, Assistant Director, Human Resource Management Ms. Cleweal Obudo, Chief Finance Officer, Finance Mr. Silas Muyela, Finance Officer, Finance Mr. John Mwangi, Communication Officer, Administration	Ministry of Labour (MoL)
16 November 2012	Ms. Jane Nyakang'o, Director Mr. Steve Onseri Nyamori, Ag. Deputy Director	Kenya National Cleaner Production Centre (KNPCPC)
19 November 2012	Mr. Hezekiah B. Okeyo, Senior Assistant Director, Micro & Small Industries Mr. Roy G. Nyangena, Assistant Director of Industries Mr. Joseph Mutuku Mbeva, Assistant Director of Industries	Ministry of Industrialization (MoI)

Date	Name	Organization
20 November 2012	Prof. Dr-Ing. Harry L. Kaane, Secretary Mr. Nanjakululu O.W. Johnson, Principal Technical Education Officer Mr. Patrick M. Odongo, Chief Public Communication Officer	Ministry of Higher Education, Science, and Technology (MoHEST)
21 November 2012	Mr. Stephen Wahome, Secretary Mr. David Malaba, Treasurer Ms. Rosena Mruttu, Board Member, Ms. Sheila Ode, Asst. Treasurer	Professional Trainers Association of Kenya (PTAK)
21 November 2012	Mr. Patrick Omwaha, Director General Mr. Francis Gitaka, Acting Director Mr. Joshna Mpuri, Chief Industrial Training Officer Mr. James Warui, Chief Industrial Training Officer Mr. Timothy Irungu, Principal, NIVTC Mr. Mutouya Mwirigi, Principal, KTTI	National Industrial Training Authority (NITA)
22 November 2012	Mr. Abuga, Senior State Council	Office of Attorney General (AG)
22 November 2012	Dr. Kevit Desai, Chairman	Linking Industry with Academia (LIWA)
28 November 2012	Mr. Enos Oyaya, Acting Education Secretary Mr. Milton Mokah, Assistant Deputy Director, Directorate of Field & Other Services	Ministry of Education (MoE)
28 November 2012	Mr. Stephen Kirui, Director Mr. Nelson K. Gaitho, Principle Lecturer Mr. Felix M'mboyi, Consultant associated with JICA EPC & KIBT Project	Kenya Institute of Business Training (KIBT)
(3 rd Study in Kenya)		
7 February 2013	(1 st Workshop on Productivity Indices) Ms. Lineth Oyugi, Head of Research & Policy Advocacy Mr. Ernest Nadome, Executive Board Member (Representative of Kenya Electrical Trades and Allied Workers Union), Mr. Barasa S. Adams, P.A. to Secretary General Mr. Willy Kimani, Labour Dept.,	Federation of Kenya Employers (FKE) Central Organization of Trade Union, Kenya (COTU) Ministry of Labour (MoL)
7 February 2013	Ms. Beatrice N. Kitui, Permanent Secretary	Ministry of Labour
15 February 2013	Mr. Joseph Ouma, Head of Finance & Administration Ms. Wangechi Muriuki, Head, Organisational Performance Index Secretariat Ms. Sheila Aduvagah, Liaison & Communication Dept.	Kenya Institute of Management (KIM)
(4 th Study in Kenya)		
3 June 2013	Mr. Stephen Kirui, Director Mr. Nelson K. Gaitho, Principle Lecturer	Kenya Institute of Business Training (KIBT)
5 June 2013	Ms. Winnie Karingithi, Head of Planning Mr. John Njorio, Deputy to Human Resource	Ministry of Labour
7 June 2013	Dr. Kevit Desai, Chairman	Linking Industry with Academia (LIWA)

Date	Name	Organization
1 July 2013	Mr. Ali Noor Ismail, Principle Secretary Ms. Winnie Karingithi, Head of Planning Amb. Franklin Esipila, Director of Administration	Ministry of Labour, Social Security and Services
18 July 2013	Mr. Kambi Kazungu, Cabinet Secretary Mr. Tom Namasaka, Assistant Director of Information	Ministry of Labour, Social Security and Services
19 July 2013	Mr. Stephen Kirui, Director	Kenya Institute of Business Training (KIBT)
26 July 2013	Dr. Kevit Desai, Chairman Mr. Fabian Shyakaba Mukanzi	Linking Industry with Academia (LIWA)
1 August 2013	(2nd Workshop on Productivity Indices) Ms. Lineth Oyugi, Head of Research & Policy Advocacy Mr. Dan Omondi, Industrials Relations Officer Mr. Kolil Kosgey, Deputy Secretary General, KETAWU (Kenya Electrical Trades and Allied Workers Union) Ms. Betty Kariithi, Industrial Relations and Training Officer, KUDHEIHA (Kenya Union of Domestic Hotels Educational Institutions Hospitals & Allied Workers) Mr. Robert Nderitu, Senior Manager, Labour Statistics Mr. Benson Karugu, Economist/Statistician Mr. Willy Kimani, Labour Dept., Mr. Charles Ombuki, Senior Economist Ms. Grace M. Bruno, Economist	Federation of Kenya Employers (FKE) Central Organization of Trade Union, Kenya (COTU) Kenya National Bureau of Statistics (KNBS) Ministry of Labour, Social Security and Services (MoLSSS)
2 August 2013	Mr. Mutuku Mbeya, Assistant Director of Industries	Ministry of Industrialization and Enterprise Development (MoIED)
5 August 2013	Mr. Ali Noor Ismail, Principle Secretary	Ministry of Labour, Social Security and Services (MoLSSS)
7 August 2013	Mr. Julius Muia, Secretary Mr. Patrick Ngumi, Director of Private Sector, Enablers & Competitiveness	National Economic and Social Council (NESC)
7 August 2013	Dr. Mohamed Mohamud, Director of Economic Pillar	Vision 2030 Delivery Secretariat
(5 th Study in Kenya)		
9 October 2013	Mr. Hezekiah B. Okeyo, Director, Micro & Small Industries Mr. Joseph Mutuku Mbeva, Assistant Director of Industries Mr. Ngari Lawrence Munenea, Assistant Director of Industries	Ministry of Industrialization and Enterprise Development (MoIED)
10 October 2013	Mr. Samuel Kipkoech Kiptorus, Chief Economist/Deputy Director, Sectoral Planning Department	Ministry of Devolution and Planning (MoDP)
16 October 2013	Mr. Patrick Keige Mwangi, Acting CEO Ms. Caroline Kungu Mr. Aloys Ojiambo	Micro Small Enterprise Agency (MSEA)

Date	Name	Organization
28 October 2013	Mr. Robert Nderitu, Senior Manager, Labour Statistics Mr. Benson Karugu, Economist/Statistician Mr. Isaac Ndegwa, Senior Manager, Industrial Statistics	Kenya National Bureau of Statistics (KNBS)
29 October 2013	Mr. Julius Muia, Secretary	National Economic and Social Council (NESC)
30 October 2013	Dr. Muingi Muinzi, Director of Youth Education Ms. Mariah Challone, Deputy Director of Youth Education Ms. Elijah Obwori, Youth Education Dept.	Ministry of Education, Science and Technology (MoEST)
31 October 2013	Mr. John N. Kariuki, Assistant Director of Economic Pillar	Vision 2030 Delivery Secretariat
1 November 2013	Mr. Reuben Nthamburi, Deputy Director, Basic Education	Kenya Institute of Curriculum Development (KICD)
3 December 2013	Mr. Kambi Kazungu, Cabinet Secretary	Ministry of Labour, Social Security and Services (MoLSSS)
4 December 2013	Ms. Beatrice A. Onyando, Chief Manager, Strategy Membership Development and Consultancy Ms. Eva Otieno, Consultancy Department Ms. Juma Gentrax Pamela, Research Assistant	Federation of Kenya Employers (FKE)
5 December 2013	Mr. Stephen Kirui, Director	Kenya Institute of Business Training (KIBT)
(6th Study in Kenya)		
20 January 2014	Mr. Owate N. Wambayi, Director of Technical Education Mr. Samuel Wanyoi, Deputy Director of Technical Education Ms. Peris Adama Matioli, Senior Assistant Director of Technical Education Mr. Nanjakulu Johnson, Principal Technical Education Officer	Ministry of Education, Science and Technology (MoEST)
21 January 2014	Ms. Winnie N. Karingithi, Head of Planning	Ministry of Labour, Social Security and Services (MoLSSS)
24 January 2014	Mr. Hezekiah B. Okeyo, Director, Micro & Small Industries	Ministry of Industrialization and Enterprise Development (MoIED)
29 January 2014	Mr. Kambi Kazungu, Cabinet Secretary Mr. Ali Noor Ismail, Principle Secretary	Ministry of Labour, Social Security and Services
30 January 2014	Mr. Stephen Kirui, Director	Kenya Institute of Business Training (KIBT)
31 January 2014	Mr. Patrick Keige Mwangi, Acting CEO Mr. Joseph M. Kanyi, Chief Enterprise Development Officer Ms. Lydia K. Musyimi, Enterprise Development Officer Mr. Okwemba	Micro Small Enterprise Authority (MSEA) Kenya Institute of Business Training (KIBT)

Appendix 17


Plan of Operations- Policy and Institutions

Plan  Actual 

























































































































Version: 12 February 2014

Activities	Person In Charge			2012												2013												2014		
	JICA Expert	PCK		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
		Main	Sub																											
Dispatch of JICA Expert	Ayako	Purity	Jared	<div><div></div><div></div></div>							<div><div></div><div></div></div>											<div><div></div><div></div></div>			<div><div></div><div></div></div>					
A. Reviewing Productivity Policy, Bill, budget, and other related issues affecting transformation of PCK	Ayako (Fujita)	Purity	Jared	<div><div></div><div></div></div>							<div><div></div></div>											<div><div></div><div></div></div>								
B. Assisting Revising Productivity Policy & Bill	Ayako (Fujita)	Purity	Jared	<div><div></div><div></div></div>							<div><div></div></div>																			
C. Assisting Drafting the Strategic Plan of PCK 2013/4-8/9	Ayako (Fujita)	Purity	Jared	<div><div></div><div></div></div>							<div><div></div><div></div></div>											<div><div></div><div></div></div>	<div><div></div></div>							
D. Identifying strategies to create networks between PCK and TSPs	Ayako (Fujita)	Purity	Jared	<div><div></div><div></div></div>							<div><div></div><div></div></div>											<div><div></div><div></div></div>	<div><div></div></div>		<div><div></div><div></div></div>					
E. Identifying institutional strategies to lead productivity improvement in EAC	Ayako (Fujita)	Purity	Jared	<div><div></div></div>																		<div><div></div></div>			<div><div></div></div>					
F. Identifying institutional structure and necessary inputs to support implementation of action plans	Ayako (Fujita)	Purity	Jared								<div><div></div><div></div></div>											<div><div></div><div></div></div>			<div><div></div><div></div></div>					


Plan of Operations- Organizational Building

Plan  Actual 

Version: 12 February 2014

Activities	Person In Charge			2012												2013												2014		
	JICA Expert	PCK		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
		Main	Sub																											
Dispatch of JICA Expert	Fujita Ayako	Purity	Jared	 						 		 			 					 	 		 							
A. Reviewing Productivity Policy, Bill, budget, and other related issues affecting transformation of PCK	Ayako (Fujita)	Purity	Jared	 												 						 		 						
B. Assisting Revising Productivity Policy	Ayako (Fujita)	Purity	Jared	 						 										 										
C. Assisting Drafting the Strategic Plan of PCK 2013/4-8/9	Ayako (Fujita)	Purity	Jared	 							 						 	 												
D. Identifying strategies to create networks between PCK and TSPs	Fujita Ayako	Purity	Jared	 							 						 	 			 		 		 					
E. Identifying institutional strategies to lead productivity improvement in EAC	Fujita (Ayako)	Purity	Jared										 				 			 				 						
F. Identifying institutional structure and necessary inputs to support implementation of action plans	Fujita (Ayako)	Purity	Jared								 			 				 		 	 				 					
G. Action plan for implementing the strategy	Fujita (Ayako)	Purity	Jared								 			 				 			 		 		 		 			
H. Organizational system necessary for implementing strategy and action plan	Fujita (Ayako)	Purity	Jared	 							 			 				 		 			 		 		 			
I. System for manpower planning and human resource development	Fujita (Ayako)	Purity	Jared						 			 				 		 			 		 		 		 			

Plan of Operations- Consultation for Pilot Companies/Institutions

Plan  Actual 














































































Version: 12 February 2014

Activities	Person In Charge			2012												2013												2014		
	JICA Expert	PCK		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
		Main	Sub																											
Dispatch of JICA Expert	Ikeda	James	William																											
A. Selection of pilot companies/institutions for productivity consultation	Ikeda	James	William																											
A-1 Confirm the categories, criteria, and selection of the pilot organizations	Ikeda (Fujita)	James	William																											
A-2 Making the shortlist of the expected organizations		James	William																											
A-3 Sending the shortlist to the Japanese expert		James	William																											
A-4 Conducting the visits for selection and finalizing	Ikeda	James	William																											
B. Making PCK C/P (Consultant) Development Plan	Ikeda	James	William																											
C. Evaluation of C/P Capabilities	Ikeda	James	William																											
D. Intensive class room training for PCK C/Ps (additonal training)	Ikeda	James	William																											
E. Implementation of consultation for pilot companies/institutions	Ikeda	James	William																											
F. C/P Consultant Meetings	Ikeda	James	William																											
G. Implementing productivity promotion seminars (completion of consultation activity)	Ohga (Ikeda)	James	William																											
H. Making consultation manuals/case sheets/textbooks	Ikeda	James	William																											

Plan of Operations- TOTs for TSPs

Plan  Actual 



















































Version: 12 February 2014

Activities	Person In Charge			2012												2013														
	JICA Expert	PCK		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
		Main	Sub																											
Dispatch of JICA Expert	Ohga (Fujita)	William	Jared	 			 				 								 		 		 							
A. Assessing the State of TSPs	Ohga (Fujita)	William	Jared	 			 																							
B. Making database of TSPs	Ohga (Fujita)	William	Jared	 			 				 								 			 		 		 				
C. Planning the ToTs (including revising the contents)	Ohga (Fujita)	William	Jared				 				 			 								 								
D. Recruiting the applicants and implementing the selection	Ikeda /Sugu /Ohga	William	Jared	 			 											 			 		 							
E. Making teaching materials /manuals of ToTs	Ikeda /Sugu /Ohga	William	Jared				 				 							 				 		 		 				
F. Implementing ToTs	Ohga (Ikeda /Sugu)	William	Jared	 			 												 			 		 	 					

Plan of Operations- Productivity Measurement

Plan  Actual 

Version: 12 February 2014

Activities	Person In Charge			2012												2013												2014		
	JICA Expert	PCK		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
		Main	Sub																											
Dispatch of JICA Expert	Kiuchi	Jared	Purity																											
A. Introducing the outline of JPC’s productivity researches to PCK/MoL	Kiuchi	Jared	Purity																											
B. Evaluating PCK’s current productivity indices and make the guidance for improvement	Kiuchi	Jared	Purity																											
C. Visiting major PCK stakeholders and identify their needs	Kiuchi	Jared	Purity																											
D. Visiting the suppliers of the basic data and discuss on further cooperation	Kiuchi	Jared	Purity																											
E. Organizing the workshop of key persons and discussion on draft proposal	Kiuchi	Jared	Purity																											
F.Workshop of productivity indicators between FKE,COTU and PCK	Kiuchi	Jared	Purity																											
G.Making the productivity report which adds new indicators	Kiuchi	Jared	Purity																											
H.discussion of new productivity indicators&analsys and improvement of the draft productivity report.	Kiuchi	Jared	Purity																											
I. Planning and implementing the sensitization program for FKE and COTU	Kiuchi	Jared	Purity																											
J. Making final proposal and submit to MOL/PCK	Kiuchi	Jared	Purity																											

Plan of Operations- Productivity sensitization through 5S promotion

Plan  Actual 

Version: 12 February 2014









































































Activities	Person In Charge			2012										2013												2014		
	JICA Expert	PCK		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
		Main	Sub																									
Dispatch of JICA Expert	Sugumara n			<div><div></div><div></div></div>									<div><div></div><div></div></div>									<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>			
A. Introducing “QE (5S) Certification” system of Malaysia	Sugumara n	James	William	<div><div></div><div></div></div>																								
B. Considering applicable system to promote 5S in Kenya	Sugumara n	James	William	<div><div></div><div></div></div>																								
C. Deciding whether to proceed on 5S promotion system	All	All		<div><div></div><div></div></div>																								
D. Conducting necessary technical tranfer to conduct 5S Assessment for selecting pilot org.	Sugumara n	James	William	<div><div></div><div></div></div>																								
E Selection of pilot company (conducting 5S Assessment)	Sugumara n	James	William	<div><div></div><div></div></div>	<div><div></div><div></div></div>																							
F. Conducting the needs survey on 5S promotion	Sugumara n/Ohga	All	All		<div><div></div><div></div></div>	<div><div></div><div></div></div>					<div><div></div><div></div></div> *1		<div><div></div><div></div></div> *1		<div><div></div><div></div></div> *1			<div><div></div><div></div></div> *1										
G. Planning further plan of 5S promotion	Fujita	Purity											<div><div></div><div></div></div>						<div><div></div><div></div></div>		<div><div></div><div></div></div>		<div><div></div><div></div></div>					
H. Making the proposal for 5S promotion activity	Sugumara n			<div><div></div><div></div></div>																		<div><div></div><div></div></div>		<div><div></div><div></div></div>	<div><div></div><div></div></div>			

*1: The activity was done through pilot consultation and ToTs for TSPs.

Plan of Operations- Productivity Promotion Seminar

Plan  Actual 





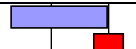




















Version: 12 February 2014

Activities	Person In Charge			2012												2013												2014		
	JICA Expert	PCK		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
		Main	Sub																											
Dispatch of JICA Expert	Ohga (Fujita)	Purity	Jared	 			 				 										 		 		 					
A. Making the contents of the seminar	Ohga	Purity	Jared								 											 								
B. Selecting the guests whom to invite the seminar	Ohga	Purity	Jared								 											 								
C. Invitation to all pilot companies and follow-up of 2 pilot companies for the presentation	Ohga (Fujita)	James	Purity								 											 								
D. Invitation for related government people		Purity	Jared								 											 								
E. Invitation for prospective ToT organisations		Jared	Purity								 											 								
F. Identify the TSPs to be invited from the database		Jared	Purity								 											 								
G. Send invitation to selected TSPs and confirm the registration		Rogina	Jared								 											 								
H. Making the draft of advertisemet on paper	Ohga (Fujita)	William									 											 								
I. Advertisement on paper		William										 											 							
J. Dealing with the application form		Rogina	Zedi									 											 							
K. Implementing the Seminar	Ohga (Fujita)	All	All										 											 						
L. Evaluating the results of the Seminar	Ohga (Fujita)	All	All										 											 						

Plan of Operations- Recruitment for new employees

Plan  Actual 

Version: 12 February 2014

Activities	Person In Charge			2012												2013												2014		
	JICA Expert	PCK		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
		Main	Sub																											
Dispatch of JICA Expert	Fujita (Ohga)	Purity	Jared																											
0. Making the Plan of Operation	Ohga	Purity	Jared																											
A. Conducting the meeting with MoL and Ministry of State for Public Service		Purity	Jared																											
B. Ministry of Labour writes letter to Treasury		Purity	Jared																											
C. PCK confirms posts and job requirements, making organizational structure		Purity	Jared																											
D. Idents (including advertisement contents) written by MoL HRM		Purity	Jared																											
E. MoL forwards indents to Public Service Commission and check		Purity	Jared																											
F. Public Service Commission advertises on the paper		Purity	Jared																											
G. Conducting the interview for recruitment		Purity	Purity																											
H. Plannning the layout for new office and completing the repartition	(Fujita)	Purity	Purity																											
I. Promoting the internal transfer within MoL	(Fujita)	Purity	Purity																											
I. Finishing the recruitment process (new employee is coming)		Purity	Purity																											