



**MINISTRY OF LABOUR
OFFICE OF THE CABINET SECRETARY**

**TALKING NOTES DURING THE OFFICIAL SIGNING OF
THE PERFORMANCE CONTRACTS FOR THE 2021/22
FINANCIAL YEAR**

WITH THE BOARDS OF STATE CORPORATIONS

MAY, 2022

Hon Jackson Kalla , Chief Administrative Secretary,

Dr William Kiprono, Secretary of Administration,

Gen (Rtd) Dr Julius Karangi, Chair NSSF

Mr. Mark Obuya, Trustee NSSF Board

Sister Jackline Mugo, NEA Board

Mr Macharia, NITA Board

Dr. Anthony Omerikwa, Managing Trustee, NSSF

Mr. Stephen Ogenga, Director General, NITA

Ms. Edith Okoki, Ag. Director General NEA

Staff from NSSF, NITA & NEA

Ministry Staff

Ladies and Gentlemen

Good morning

- 1.** I welcome you all here today for the official signing of the 2021/22 financial year performance contracts of your respective State Corporations. This is the 18th Cycle of performance contracts since its introduction by the government.
- 2.** Following the successful negotiation of the Performance Contract Targets for 2021/22 FY in August, 2021 and vetting of the same by the Public Service Performance Management Unit through the online platform, I'm happy to note that the documents are now ready for signing with the respective Board and Management.

3. The introduction of performance contract was meant to improve service delivery to the Kenya people and also serve as a guide to the agencies in their implementation of Policies, Programmes, Projects and activities outlined in each financial year.
4. For this reason, Performance Contract must be seen as a tool of management that enhances accountability for results against resources that have been entrusted to your respective organizations.
5. You have all committed your respective agencies to achieve specific service delivery targets that can be verified and audited. As we head towards the end of the 2021/22 FY my expectation is that you will rededicate your efforts in realization of those set targets.
6. To compare performance of various Ministries and State Corporations and Tertiary Institutions, the government through the ministry of public service, Gender, senior citizens affairs and special programmes, publishes performance rankings every year.
7. From last financial years ranking, I have noted that overall National Social Security Fund (NSSF) performed well with a ranking of 70 (**very good**) out of 239 State Corporation, a good improvement from position 174 out of 227 Agencies that were ranked the previous year. NSSF was also ranked position 6 out of 15 in financial sector against position 14 out of 15 the previous year. This is quite commendable and I urge you to keep up with the good work.

8. Further, I have noted that NEA was ranked position 164 (**Good**) an improvement from position 203 (**Fair**) the previous year, and position 35 out of 47 an improvement from position 45 out of 46 within the regulatory sector.
9. Further NITA was ranked position 222 (**Fair**) which was a drop from position 201 (**Fair**) the previous year, and position 47 out of 48 a drop from 44 within the regulatory sector.
10. I'm not happy with **NITA** results and I recommend that NITA Board and Management re-examine themselves and establish the root cause of this performance and urgently develop strategies to redeem the institution.
11. As much as 2020/21 was a tough year, because of the COVID-19 Pandemic, and therefore most of your planned activities were disrupted, through proper leadership, organizations were expected to devise innovative ways to overcome challenges posed by Covid-19 and adapt to the new norms.
12. For example, the Ministry of labour, even with its limited resources managed to improve its ranking from position 16 the previous year to position 9 out of 25. In any case Covid-19 affected all Ministries and Agencies, and therefore I do not expect anyone to quote covid -19 as the reason for not performing well.
13. Chair and CEOs/DGs, you need to guide your staff to be innovative, adopt best practices; and put in place systems and structures that will make our State Corporations achieve their set targets.

14. As we sign these Performance Contract, let me restate what I told you one year ago, 'Signing of performance contracts should not be a ritual, it must be well thought out and there must be a willingness and determination to achieve the set targets.
15. For the two years I have been in this ministry, I have kept a very open-door policy for all Board and staff members to come and consult, because your performance is my performance, and I want us to shine together.
16. Let me therefore reiterate that, my door is still open, and should there be any gaps in the performance, the same must be backed by factual and relevant reasons and be reported to my office, early for necessary intervention.
17. The top five Agencies were National Irrigation Authority with a score of 1.8890 an improvement from 2.3539, which saw them also improve from position 5 the previous year to position one.
18. It was followed by University of Embu with a score of 1.9290 an improvement from 2.1250; Tharaka University 1.9682 an improvement from 2.1791; University of Nairobi 2.1361 an improvement from 2.2621; and Kenya Industrial estates 2.1477 an improvement from 2.4459, the previous year.
19. You need to find out what these top five institutions are doing well to outperform our SAGAs, and possibly go there and benchmark.
20. Even internally, you need to learn from each other, because no man is an island. What is it that **NSSF** did to improve from 3.4265 to 2.9563, and **NEA** to improve from 3.6666 to 3.2907

21. For NITA, why did your performance go down from 3.6439 to current 3.8037, I need answers, from the board. Otherwise, how sure am I that performance will improve this financial year.

22. Today as you make your presentation, I expect to hear;

- the lessons learnt from your last performance contracting cycle,
- The challenges you faced and how you overcome them
- how you plan to improve from your current performance, and
- the support you need from my office, to meet your targets.

23. As I conclude, I want to challenge you; Is there any reason why all our SAGAs cannot be among the top ten with a score of at least 2.3999, which is excellent? Board Chairs and CEO/DGs, is there any reason at all why your institution can not get a score of at least 2.3999.

- Do you know what it takes to get this kind of a score?
- Have you analyzed the last two financial years performance to see why you are not performing well?
- Did you have a meeting with all you staff to discuss your performance before agreeing on your current performance, or was this only a top management decision?

- Are you sure all the staff in your institution have embraced these targets that we are signing today, so that you can all achieve together?

24. Before you append your signature to these documents, reflect on these questions, and if you have not done the above, Chairs and CEOs/DGs, I expect you to go and have a sitting to agree on the way forward, because you are the leaders in your institutions, and the two of you must speak the same language when it comes to performance.

25. Finally, I want to leave you with these three quotations on leadership; so that you can examine yourselves

- *"Leaders instill in their people a hope for success and a belief in themselves. Positive leaders empower people to accomplish their goals." Unknown*
- *"Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion." - Jack Welch*
- *'True leadership lies in guiding others to success, in ensuring that everyone is performing to their best, doing the work they are pledged to do, and doing it well' - Bill Owens*

THANK YOU AND GOD BLESS.