

FKE WEEKLY eSHOT

4th December, 2020

FKE Inducts New Members



The Federation of Kenya Employers conducted its first virtual induction session for new members on 3rd December 2020. The aim of this exercise was to help new members understand the role played by the Federation in representing the interests of employers at the tripartite level. The session was chaired by the Head of Advocacy, Communication and Partnership Mr. Stephen Obiro, who was representing the Executive Director Mrs. Jacqueline Mugo.

Despite the challenging economic, political and operating environment, FKE's membership base has continued to grow steadily. 44 additional members were added to the growing list of FKE family.

While moderating the session, Mr. George Masese, the Ag. Head of Industrial Relations, Legal & Membership Services, affirmed the fact that the Federation has represented

employers before the Employment and Labour Relations Court and other courts on labor related disputes "Because we monitor all emerging issues in Employment and Labour laws both in Kenya and beyond, we are uniquely equipped to advise and represent our members on complex employment and labour issues at reasonable fees" said Masese.

Members were further assured that as long as they remain active, FKE's industrial relations and legal experts will be at hand to provide comprehensive advice on interpretation of employment legislation, best practice in human resource management and industrial relations issues. Other areas covered were: training and development, partnerships and projects, and organizational development

The new members were appraised on how

the Federation runs the legal services, policy advocacy and Industrial Relations agenda highlighting the engagement platforms and how new members can benefit from the Federation. It was noted that the Federation had transformed itself from a traditional employers' organization focusing on industrial relations to include value added services that address the emerging needs of the new dynamic labour market. Members have access to an Industrial Relations advisor who provides expert advice on difficult grievance, disciplinary and other industrial relations.

In his closing remarks, Mr. Obiro noted that the Federation has remained vigilant in advocacy role through active involvement in tripartite consultations and engagement with government and labour movements, both on issues that are directly related to the labour market and those that deal with broader economic and social policy. He further highlighted some of such effort; "FKE played a leading role in stopping the implementation of 1.5 per cent housing levy that could be a burden to Employers in Kenya, I understand that this could not be done by a single Employer but it was made possible by us coming together through FKE" He noted. Mr. Obiro further mentioned the fact that the Federation was part of the Government's Rapid Response team and Multi-Agency taskforce under the Ministry of Labour and Social Protection that advocated for measures on cushioning enterprises and those who had lost livelihoods.

Effective January 2021, The Federation of Kenya Employers will be conducting a series of induction sessions for new members

Look to FKE for your executive training

We have over 30 years of delivering management, industrial relations, labour laws and OSH training.



Searching for your next talent?

See how FKE's Executive Recruitment and Selection services will provide you with a comprehensive solution and make your hiring process hassle free.



+254 20 2721929/48/49/52



@fkekenya



@FKEkenya

FKE Calls for Technological Innovation at IBRIC 2020 Conference

The global economy has been easily connected to do business in the 21st century due to the advent of technological advancement, disruptive innovations digital platforms and the Covid-19 Pandemic. To unleash potentials of businesses for global sustainable development, policy makers need to understand Business Management's role in economic growth, and the sector-wide strategies of integrating academia research in business and innovation. It is against this context, that Kenyatta University School of Business organized the International Business and Research Innovation Conference (IBRIC) on 3rd December 2020.

The IBRIC 2020 conference brought together international, regional and local participants from all over the world and created an interface between Academia and Industrial sectors to debate on how Business Management can be leveraged and scaled up to support the achievement of SDGs, Kenya Vision 2030 and the Big Four Agenda. Specifically, the conference provided a forum for Inter-sectoral debate that will go a long way to define the role and value of Business Management Principles for sustainable business development. In addition, the conference took stock of sector-wide strategies for leveraging creativity and Innovation promoting equitable and quality lifelong opportunities for all

Mrs. Jaqueline Mugo, the Executive Director of the Federation of Kenya Employers was represented in the conference virtually by Mr. Stephen Obiro, Head of Advocacy, communication and partnerships. In his remarks on the topic Technological Innovations, Disruptive Technologies And

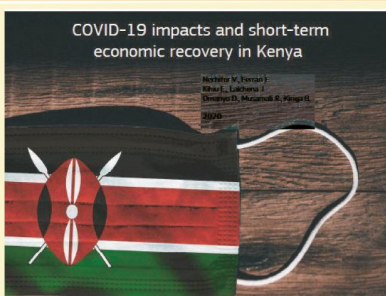


Industrialization, Mr. Obiro acknowledged the role played by technology in the country's Economic development; he pointed the fact that Countries that had embraced technology and had it as the foundation of their industrialization process have managed to stay competitive and have a stronger grip of the world trade compared to those that stuck to the traditional methods of production. He noted that these countries had become a point of benchmarking for the Sub-saharan Africa. "Competition is stiff and the survivors will be those that embrace and use technological innovation in managing their work. Innovations in technology come with efficiency and cost-effectiveness in the long term. It may be initially costly to set up the systems but with time, the efficiency and production quality ends up being cost-effective" he explained. This is the direction Kenya and Africa must take if the economic pillars like the Vision 2030 are to be achieved.

It is also important to note that ICT Hubs act as a meeting place for technology entrepreneurs where new ideas are discussed and inventions built. In such dynamic spaces, Intellectual Property (IP) could either protect young, nascent ideas or stifle innovation and collaboration. The 2010 constitution recognizes the role of indigenous innovations in development. Article 11, Section 2b and c of the constitution reads: '... recognize the role of science and indigenous technologies in the development of the nation; and promote the intellectual property rights of the people of Kenya.

At the conclusion of the conference, varying quality papers were presented which cut across management issues from the industry and the academia. It's envisaged that the conference debates will inform action plans and policies that will form a basis for future partnerships among academia and industry in enhancing sustainable industrial development. The conference attracted a broad spectrum of participants drawn from experts in the Industry, Policy makers and researchers in academia : To watch the video visit <http://fb.watch12809s-tbiz/>

Post Covid -19 Economic Recovery Strategy 2020- 2022



FKE was part of the stakeholders who made its presentation and proposal towards the National Treasury's proposed Post Covid-19 Economic Recovery Strategy 2020-22. Enterprises have registered reduced profits and revenues and reported losses thus resorting to reducing their workforces. In the circumstances, the Federation called for initiatives that do not bear more financial

burden to employers. Bearing this in mind, the Federation proposed the setting up of a Wages Subsidy Fund to support enterprises and maintain staff in employment in times of crisis. FKE represented by the Mr. Stephen Obiro, Head of Advocacy, Communication and Partnership noted that the strategy needs to focus on strategic priority sectors that once strengthened will spur the much needed economic



+254 20 2721929/48/49/52



@fkekenya



@FKEkenya

FKE in the Media

Employers now seek State cash to retain employees

Constant Munda
cmunda@ke.nationmedia.com

Employers have opposed plans to offer jobless claims to laid-off workers through an unemployment contributory fund and instead want firms paid to keep redundant employees on the payroll.

The FKE is instead proposing creation of Employment Insurance Fund

Federation of Kenya Employers (FKE) argues giving cash to workers who lose jobs was not sustainable in a country where formal employment opportunities were increasingly thinning, pushing those squeezed out of employment into informal ventures.

The lobby group is instead proposing the creation of an Employment Insurance Fund, which will give cash-strapped firms funds to enable them to

keep workers on payroll during unforeseen crises until the economy stabilises.

Such a scheme, the FKE argues, will enable struggling firms to remain productive while the worker maintains a disposable income, supporting the economy through a crisis.

In a blueprint labelled Post Covid-19 Economic Recovery Strategy 2020-2022, the Treasury seeks to create an Unemployment Insurance Fund (UIF), which would give short-term relief to workers who lose their jobs due to unforeseen crises such as the Covid-19 pandemic.

"Unemployment Insurance Fund works as a stop-gap measure in instances where a worker is in transition or search for employment. In Kenya, what we are facing is dwindling employment opportunities, which is pushing people into informal work," FKE executive director



FKE executive director Jacqueline Mugo - SALATON NJAU

Jacqueline Mugo told the *Business Daily*.

"On average people are staying out of employment for seven years. Paying funds for three months, for example, will not help." The proposed UIF – where employees contribute one percent of their pay which

5.7%
RATE

at which Kenya's gross domestic product contracted due to Covid-19

is matched up by employers – is part of the Treasury's post-Covid recovery plan.

The Treasury's proposal for UIF is a reaction to Covid-19-linked economic fallout, which left nearly two million workers in Kenya jobless after firms were forced to scale down operations or shut down at the height of containment measures in April-June period.

The economy sank into a trough in that quarter, with the gross domestic product – a measure of economic output – contracting 5.7 per cent.

"Although the concept looks good on paper, the challenge is financing, providing adequate benefits and sustaining the Fund," Ms Mugo said. "Kenya need Employment Insurance Fund to provide for wage subsidies that spur enterprise development and job creation."

Going by last year's wage bill of Sh2.28 trillion for the nearly 2.93 million formal sector employees – both in public and private sector – the size of the fund could hit Sh22.79 billion in a year or Sh1.9 billion a month.

The proposal for unemployment scheme was first fronted by the Kenya Association of Manufacturers and a consultancy firm which in September rooted for a scheme to enable workers either work part-time or remain "formally with the business even if not working at all to ensure quick resumption of activity once normalcy returns".

On the Business Daily 30th November 2020, FKE urged government to support employers retain employees in enterprises through the Employment Insurance Funds that will provide Wage Subsidies and spur enterprise development and job creation.

This is because giving workers funds for duration of say only 3month will not be help them especially now that employment opportunities continue to diminish. In addition, people stay unemployed for long time and this will not be sustainable

FKE jobs plan worth a look

The proposal by employers of a fund to give cash-strapped firms money to keep workers on the payroll during unforeseen crises such as Covid-19 is worth considering.

The Federation of Kenya Employers (FKE) argues that such a scheme will enable struggling firms to remain productive while the worker maintains a disposable income, supporting the economy through a crisis.

This is a counter proposal to the Treasury's recent proposal to create an Unemployment Insurance Fund (UIF) to give short-term relief to workers who lost their jobs or are unable to work due to illness.

The FKE has warned that pro-

viding adequate benefits and sustaining the fund may be a nightmare.

Its proposal seeks to avert job losses and support workers while they remain productive.

The Treasury should consider this proposal, even as it works with FKE to fine-tune a blue print for the benefit

of workers, employers and the economy.

For instance, the two should provide a clear framework on the criteria for selecting firms to benefit from the plan and the level of intervention given that Covid-19 has proved that not all firms are hurt equally by a crisis.

TO COMMENT

The editor invites comments on our content and topical issues. Please include your full names, telephone number and address in your letter.

P.O. Box 49010 GPO Nairobi ■ Telephone: 254 20 328 8104 ■ Fax: 254 20 214849
Email: bdfedback2@ke.nationmedia.com ■ www.bdfake.com



CONTACT INFORMATION

+254 20 2721929/48/49/52 or

+254 709827101/02

fkehq@fke-kenya.org

Road P.O. Box 48311 - 00100

Nairobi, Kenya

Wajiri House, Argwings Kodhek

www.fke-kenya.org

On 1st December 2020, The Business Daily ran an editorial in support of the Federations Proposal for Wage Fund for struggling enterprises to remain productive while still ensuring that workers maintain some disposable income to support the economy. This proposal is critical in supporting enterprises remain afloat while protecting livelihood. The Federation calls for dialogue over this matter to ensure that a solution that is favourable to all.