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**Step 2**
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**Step 4**
- Enter **NSSF Number** you wish to pay for

**Step 5**
- Enter the amount you wish to pay for (Between Kshs. 200 – 70,000)

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ABOUT US

The Federation of Kenya Employers (FKE) is the voice of Employers and the leading membership body in Kenya, it was established in 1959 under the Trade Unions Act Cap 233 (now repealed) to represent the collective interest of employers in Kenya.

FKE conducts advocacy for policy influence on behalf of employers at the tripartite level involving the Government, Employers and Trade Unions / Workers. FKE has excellent working relationships with top organs in the labour sector and is represented on the board of the International Organization of Employers (IOE), International Labour Organization (ILO), and Business Africa - Employers Confederation whose headquarters is in Nairobi.

Our goal is to be the leading employers’ organization globally, supporting enterprises for sustainable socioeconomic development and to promote an enabling socio-economic environment that enhances industry competitiveness.

OUR MEMBERSHIP

The Federation’s membership is open to all business enterprises, organizations, companies and partnerships both in the private and public sector-including state corporations and county governments.

VISION

Competitive and empowered employers for Kenya’s prosperity.

MISSION

To improve the business environment for employers through advocacy, effective representation, social dialogue and provision of value add services.
OUR ROLE

FKE is both an advocacy and service organization with two distinct roles as follows:

- To influence the policy and regulatory environment for the labour market to create a conducive climate for business growth and sustainability;
- To provide quality business development services to members.

OUR CORE VALUES

In its operations and service delivery, FKE undertakes to uphold the following:

- Excellence
- Listening
- Loyalty
- Inclusivity and diversity
- Collaboration

OUR SERVICES

The Federation offers the following services to employers / members:

- Labour Relations
- Legal Advice and Representation
- Management Training
- Organizational Development
- Partnerships and Projects
- Policy Research and Advocacy
- Information and Networking
- Management Consulting

SHAPING THE FUTURE OF WORK AND ENTERPRISES
DEAR MEMBERS,

On behalf of the board of management, I am pleased to welcome you all to this Annual General Meeting (AGM) of the Federation of Kenya Employers (FKE). This is another historic year for us as we celebrate sixty years of our existence.

The Federation continues to play a critical role in the Kenyan economy and is the voice of the employers with other stakeholders through constructive engagement, advocacy and policy influence.

The Federation of Kenya Employers is also a strong player in the global community of employers where it plays a central role to shape labour practices, employment policies and standards at the international arena.

We derive our strength from the strong membership base drawn from all sectors of the economy except the civil service and disciplined forces. For sixty years, FKE has influenced labour and social policies that support employers to run viable and sustainable enterprises. In particular, FKE has pushed for the adoption of productivity index techniques, to help our enterprises become more productive and adopt modern sound managerial practices that create employment and a harmonious labour relations.

This is a role that we commit to play for many years into the future.

In 2018, the Kenyan economy grew by 6.3% compared to 4.7% growth in 2017. According to the government this growth was attributed to improved performance in agriculture, manufacturing and transport sectors.

The World Bank has projected Kenya’s economy to grow by 5.7% in 2019. However, this growth is neither felt by the ordinary Kenyans nor the enterprises which continue to face challenges.

In 2018, at least 840,000 jobs were created across various sectors according to the Kenya National Bureau of Statistics (KNBS). The informal sector was the biggest employer in the country accounting for 83.6% of the total employment and created 762,000 new jobs, while the formal sector created 78,400 jobs (16.4%).

MARK JOSEPH OBUYA
National President
The data on employment proves that formal job creation is decreasing while informal job creation is increasing. The private sector which accounted for 69.5% of the total employment grew by 3.0% last year. Conversely, the overall nominal wage bill for public and private sector rose from Ksh18.1 trillion in 2017 to Ksh20.1 trillion in 2018. On the other hand, inflation as measured by Consumer Price Index decreased from 8.0% in 2017 to 4.7% in 2018. This was due to reduction in food prices as a result of favourable weather conditions and sound monetary policy initiatives.

However, in a study carried out by the Ministry of Labour and Social Protection which was presented to the General Wages Council in 2017 indicated that the high Statutory Minimum Wage level in the country is having a negative effect on formal employment. The high minimum wages force employers to restructure and in the process often results in redundancies, due to the high cost of doing business.

The regulatory environment remained unpredictable due to the high number of Bills that have been introduced without consultations. Through these Bills, the Government has proposed to introduce a number of additional levies to be paid by employers. These proposals include; the Housing Levy Fund, proposed to increase National Industrial Training Levy by 100%, National Social Security Fund statutory contributions to 6%, and a proposed increase in the National Hospital Insurance Fund Levy. These levies are bound to have a negative impact on employers and FKE has strongly urged the Government and other stakeholders to embark on meaningful consultations and dialogue on these proposals to avoid hurting business.

The Management Board and its committees held regular quarterly meetings in the course of last year as scheduled to transact normal business and play its oversight role as envisaged. The Board also met FKE members through various forums such as the Policy Working Groups to address emerging issues.

Looking to the future, we will continue to engage members and other stakeholders on policy matters that affect the cost of doing business including changes in the legal and regulatory environment, the state of labour relations, the cost of doing business and the negative impact of imposing new levies, wage setting mechanisms including statutory minimum wages, social security and the state of the economy.

Plans to begin the construction of our new Head Office are underway. We have procured the Project Manager to drive the project under the supervision of the Strategy and Development Committee of Board. I sincerely want to thank all of you for the support that you continue to give this project which will enable us construct a modern office facility to serve you even better.

In conclusion, I wish to thank you all for the support that you have given the Federation. Indeed, we won’t have been where we are today at sixty years without the consistent support and confidence that you have had for us.

I want to assure you that the entire board and staff are committed to growing our membership and providing member focused services.

We would also like to thank our development partners and stakeholders for their continued and invaluable support.

Lastly, I wish to thank members of the Board and staff for your contribution, commitment and hard work. Thank you and may God Bless you all!

Looking to the future, we will continue to engage members and other stakeholders on policy matters that affect the cost of doing business.
MANAGEMENT BOARD 2018-2019

MARK JOSEPH OBUYA
National President,
Chief Executive Officer,
Corporation Bank (K) Ltd

JACQUELINE MUGO, EBS. OGW.
Executive Director /
Chief Executive Officer

DR. HABIL OLAKA
1st National Vice President,
Chief Executive Officer,
Kenya Bankers Association

GILDA ODERA
2nd National Vice President,
Managing Director,
All About Marketing

LINUS GITAH
Immediate Past National President,
Chairman,
Tropic Brands (Africa) Ltd.

CHARLES OWELLE
Regional President,
Western Kenya
Canon Agro Agencies

DR. THOMAS SERREM
Regional President,
Rift Valley Registrar,
Human Capital & Administration Branch
Egerton University

ISSA MUSLIM
Regional President Coast,
Director,
Oceanfreight (EA) Limited
MANAGEMENT BOARD 2018-2019

Eng. ERASTUS K. MWONGERA, FIEK. KCE. CBS.
Chairman, Sameer Africa

DR. NANCY MACHARIA
Chief Executive Officer, Teachers Service Commission

Eng. PATRICK OBATH
Managing Consultant, Eduardo & Associates

JOE MUGANDA
Managing Director, Vivo Energy, Kenya

MICHAEL MACHARIA
Chief Executive Officer, Kenya Association of Hotelkeepers

STEPHEN GITAGAMA
Chief Executive Officer, Nation Media Group

Eng. DAVID ONYANGO, HSC.
Director, EL PAJ Gardens Ltd

NAZEER LADHANI
Senior Adviser, Aga Khan Development Network

JOHN KARANJA
Protective Security Industry Association
Leadership is the ability to get extraordinary achievements from ordinary people.

APOLLO N. KIARI
Chief Executive Officer, Kenya Tea Growers Association

FKE TRUSTEES

ARAM MBUI
Trustee, Managing Director, Rift Valley Machinery

HIRJI SHAH, OGW
Trustee, Managing Director, Comcraft Kenya Ltd.

JOHN KIPKORIR
Trustee, Private Security Training Academy
DEAR MEMBERS,

I am honoured to present to you the report on the achievements of the Federation of Kenya Employers (FKE) in the year 2018. This year’s Annual General Meeting (AGM) is special as it marks 60 years since the Federation was formed. We are excited about our 60th anniversary which we could not have attained without you, our members. Ahsaneni sana!

The year 2018 saw a recovery in the performance of the country’s economy after the reconciliation of the two major political rivals through the now famous ‘handshake’. The economy recorded a GDP growth of 6.3% in 2018 compared to 4.7% the previous year and the annual average inflation settled at 4.7% in December 2018 compared to 8.0% the previous year. The Kenya shilling remained strong against major currencies.

Despite promising growth in the economy, the business environment remained uncertain with a high number of proposed changes in legislation and litigation in the Employment & Labour Relations Court (ELRC). There were a total of four thousand, four hundred and three (4,403) cases brought before the ELRC compared to five thousand, nine hundred and forty three (5,943), and five thousand and fifty four (5,054) cases in 2017 and 2016 respectively. 500 cases were handled by FKE and we are proud to have won most of them with a success rate of 83%.

The work of the Federation is guided by our Strategic Plan 2019-2022 which the Board approved early in the year. The strategic plan has four (4) key strategic objectives aimed at enhancing services and engagement with members. They are: to enhance members’ satisfaction; to enhance visibility and influence; to achieve financial sustainability; and to build staff capacity for high performance.

JACQUELINE MUGO, EBS. OGW.
Executive Director / CEO
FKE continues to grow and is proud to have received seventy-nine (79) new members who joined the Federation in 2018. We hope to continue growing this number in the coming years.

The industrial relations climate was challenging and unpredictable throughout the year. FKE facilitated negotiation of one hundred and sixty (160) Collective Bargaining Agreements and ensured their registration with ELRC as required by the law. In addition, the Federation also assisted members in the conciliation and settlement of eighty-seven (87) trade disputes over a wide range of issues.

FKE Consulting services continue to be in demand. Fifty-nine (59) capacity building programs were conducted during the year in which one thousand two hundred and seventy-nine (1,279) employees were trained and one hundred and thirty-three (133) member companies benefited. I encourage members to take advantage of these programs to build the capacity of their employees for improved productivity. As an example, FKE Staff undertook various trainings within and outside the country to strengthen their capacity to serve our members.

Various membership events were held including the 2nd Employer of the Year Awards (EYA) on 21st September. EYA aims at promoting best human resource practices among FKE membership. The Awards recognize organizations that score highly in the eight (8) award categories namely: leadership and governance, corporate performance, innovations and productivity, responsible business conduct, inclusiveness and diversity, workplace environment, learning and development, and human resource practice and industrial relations.

On policy advocacy, the Federation represented members mainly in policy fora, at both local and international level and made significant impact on key policy discussions and resolutions such as the Future of Work, Skills Mismatch, Social Dialogue, Labour Migration, extension of social security coverage, elimination of child labour, Africa’s integration (the free movement of labour, persons, goods and services, and the right of residence among AU member states), formalization of informal enterprises, enhancement of Public Private Partnerships, development of Labour Market Information Systems, and strengthening of Alternative Dispute Resolution mechanisms among others.

The Federation also strengthened its research capacity and conducted a number of surveys to inform the advocacy agenda which included the Skills Mismatch Survey whose findings are contained in a report which was launched on 5th December 2018 is available at FKE Headquarters. This survey report has continued to open up the debate on skills gaps and mismatch and the needs of industry in Kenya.

I wish to sincerely thank our Management Board for providing leadership and guidance to help the secretariat in running the Federation. My work would not be possible without the dedicated secretariat whose commitment and hard work has contributed to FKE’s success for over 60 years. Finally, our most sincere gratitude goes to you, members, for the strong support you have given to the Federation throughout the years. We look forward to more fruitful engagements and working together in the coming years.

Thank you all!

We could not have reached this milestone without you and we look forward to more fruitful engagements in the coming years.
STAFF MEMBERS

1. Nairobi Headquarters Staff
2. Rift Valley Branch Staff
3. Coast Branch Staff
4. Western Kenya Branch Staff

“A dedicated Secretariate team whose commitment and hard work has contributed to FKE’s success for over 60 years.”

Jacqueline Mugo, Executive Director / CEO
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Industrial relations is the core functional unit of the Federation and is in charge of negotiating Collective Bargaining Agreements (CBAs) on behalf of FKE members. Other than CBAs, the Federation also helps in settling labour disputes as well as offering training services to members. In the year 2018, the industrial relations team managed to negotiate and register 160 CBAs and attended many meetings on behalf of members.

STATE OF INDUSTRIAL RELATIONS

In the year 2018, the main industrial dispute was between the Teachers Service Commission (TSC) and the Kenya National union of Teachers (KNUT). The main areas of contention were delocalization/transfers, promotion, professional development modules, and performance contracting and appraisal affecting KNUT members. The Cabinet Secretary, Ministry of Labour and Social Protection immediately formed a conciliation committee to look into the issues giving rise to the strike notice and report back to him with a view to averting the strike and resolving the dispute once and for all. Before the committee settled down to receive parties statements of claim and reply, TSC moved to Employment and Labour Relations Court with an application for Orders declaring the strike illegal and subsequently stopping any strike action. The court issued Orders staying the strike and strike notice, obligating the chairlady of TSC, Secretary of TSC, chairperson of KNUT and secretary general of KNUT to attend conciliation meetings. The Court also stayed the transfer of branch union officials who also serve TSC as institutional administrators and ordered the committee to listen to individual appeals against normal transfers involving 3094 teachers for possible reviews; jointly develop tools for teachers performance management contracting and appraisal through consultative process as per CBA; and develop tools and process for teacher professional development as per parties collective bargaining agreement. The conciliation committee had up to 30 days to listen to each party, establish the root cause of the dispute and report back to court. The committee’s report was to be submitted to court by 31st January 2019. Three officers from FKE were appointed to the conciliation committee. It is the hope of the Federation that an amicable solution would be reached as soon as possible.
In December 2018, there was a strike action by over 500 employees of Walker Manufacturers Limited over alleged refusal by their employer to negotiate a Collective Bargaining Agreement after signing a Recognition Agreement with Kenya Leather Workers Union. Through intervention of FKE and the Ministry Of Labour and Social Protection, the three days strike was resolved. A Return to Work Formula was signed and workers resumed normal duties. FKE has since invited parties to forward proposals and counter proposals ahead of CBA negotiation processes.

EMERGING ISSUES

HOUSING FUND LEVY
The implementation of the Housing Fund Levy and proposed payment of 1.5% of basic pay by employees which was to be matched by employers as from January 2019 has been stopped by the Employment and the Labour Relations Court until the petition filed by various parties including FKE is heard and determined.

On the same note, the Government has been barred from appointing members of the Housing Fund Advisory Board on grounds that the Housing Act did not mandate the Cabinet Secretary to establish an Advisory Board; the Ministry of Housing had called for nominees to the Board without public participation, and the action contravened Section 6 of the Housing Act that provides that the Housing Fund Levy is under the control of the National Housing Corporation.

REDUNDANCIES
Due to poor performance of business especially in the manufacturing industry many companies have continued to restructure and declare their employees redundant. The Transport sector has greatly been affected with the coming up of the Standard Gauge Railway that has taken up transport business. Notably, Bollore Transport and Logistics Company has declared over 800 employees redundant. In the Communication sector, Telkom Kenya is restructuring and there is a possibility of declaring some 500 employees redundant in 2019.

HOSPITALITY SECTOR
Business in the hospitality sector has continued to thrive with bed occupancy above 90%. This has been occasioned by the relative peace being experienced in the country. Chartered flights and the use of SGR to the coast has improved the number of both foreign and domestic visitors.

SUGAR SECTOR
The National task force is currently collecting views from stakeholders, such as farmers, private and public sugar millers, County Government representatives, and opinion leaders. This is geared towards finding lasting solutions to the challenges that the sector has faced in recent years. This is because traditional public millers are currently underperforming, mainly due to systemic regulatory failures by the national government to put in place policies that would ensure equity and a level playing ground. These include but are not limited to issues of zoning, unregulated importation of both processed and unprocessed sugar, and the harvesting and crushing of immature / raw cane.
SECTORAL EMPLOYERS’ ASSOCIATION

The water sector in Kenya which for a long of time has been a preserve of county government, has now become autonomous and is able to generate revenue. Therefore crucial for FKE to make strategic moves aimed at having all companies under the water sector recruited to its membership and a joint CBA be negotiated since their operations and challenges are similar.

COLLECTIVE BARGAINING AGREEMENTS

The Industrial Relations Department by the end of 2018 had assisted in negotiating a total of 160 Collective Bargaining Agreement which have been completed and registered at the Employment and Labour Relations Court. A total of 62 Collective Bargaining Agreements are still ongoing and are at different stages of negotiations. Wage increase awards were between 6% and 12% per annum.

TRADE DISPUTES / CONCILIATIONS

Industrial Relations Officers assisted members with conciliations of 87 Trade Disputes. Trade disputes were on allegations of refusal to deduct union dues, refusal to sign Recognition Agreements, refusal to negotiate CBAs, unlawful termination and dismissals, redundancies, outsourcing and non-implementation and interpretation of Collective Agreements.

CONSULTATIONS

Members continued to seek advice on Industrial Relations and Legal issues affecting them. Consultations were conducted through emails, telephones and personal visits. The consultations have been logged into Customer Relations Management (CRM).

IR TRAININGS

The department is involved in training of members on a number of industrial relations issues. In the whole year, the department conducted a total of 28 trainings, both in-house and open-house.

BRANCH/ASSOCIATIONS MEETINGS

A total of 46 meetings comprising of Associations Meetings, Branch General Committee Meetings and Branches Annual General Meetings were held at the Regional offices and the Head office.

RECRUITMENT

Under the financial sustainability strategy, the Industrial Relations Department recruited 28 new members out of the total 79 new members recruited by the Federation during the year 2018.

COLLECTION OF SUBSCRIPTION

The financial target for the department in the year 2018 was Kshs. 101 Million. The department collected Kshs. 105 Million from subscriptions, thus surpassing the annual target by Kshs. 4 Million.
LEGAL SERVICES

The legal affairs department has been actively involved in legal matters concerning the Federation, members and the labour market in general. Services offered to members in the last year include: Court & Legal representation, involvement and management of industrial action and finding solutions to Labour unrest at the workplace as well as engagement in FKE’s policy advocacy initiatives.

LEGAL REPRESENTATION

Members continued to enjoy a wide range of legal services which include Consultations on legal and Industrial Relations matters, legal advisories and opinions, review of HR Manuals, Court representation at the Employment and Labour Relations Court (ELRC), Court of Appeal and Supreme Court, and Court mediation. The Legal Team has also represented members in policy advocacy initiatives and Petitions on proposed Bills touching on Employment and labour laws, by providing guidelines on the implementation of new employment and labour laws and through giving guidance in the day to day running and managing of Human Resource functions.

NEW PRODUCTS

The Legal team is now providing new commercial services to members in carrying out HR and legal audits to assist members in streamlining their HR practices, rules and regulations which includes perusing and advising on their legal cases, identifying patterns, practices and organization cultures that are unhealthy and unlawful, perusing and identifying gaps in policy documents, practices and procedures and giving recommendations and solutions. These new products aim to assist members particularly those who may have challenges in managing large numbers of employees and are facing several demands and an upsurge of court cases at the ELRC.

CASES AT THE ELRC

The total number of cases filed in the Employment & Labour Relations Court of Kenya during the year 2018 was 4,403 as compared to 5,943 in 2017, 5,054 in 2016 and 3,540 cases in 2015. The reduction of cases filed at the Employment and Labour Relations Court is due to the Chief Justice’s directive appointing magistrates of the rank of senior resident magistrates and above as special magistrates designated to hear and determine employment and labour relations cases within their respective areas of jurisdiction. This has led to the filing of Employment matters at Chief Magistrate Courts all over the country thereby reducing
the number of cases filed at the Employment Court. The court concluded 4,145 cases during 2018 which included Judgements and rulings in cases reported to the Court in 2018 and the previous years.

The Federation represented its members in various Matters. We handled over 500 cases and completed over 113 cases. The Federation maintained over 85% success rate in the Judgments received. The Court delivered 79 judgments and we expect several other judgments to be delivered within the course of 2019. Out of the 79 judgments delivered, 69 cases were successful in favour of the employer, and 34 cases were concluded by way of negotiations leading to an out of court settlement.

**MAGISTRATE COURTS TO HEAR AND DETERMINE EMPLOYMENT DISPUTES**

The Chief Justice’s directive vide Gazette Notice No 6024 in the Kenya Gazette Vol.CXX-No.74 dated 10 June 2018 appointed all magistrates of the rank of senior resident magistrates and above as special magistrates designated to hear and determine employment and labour relations cases within their respective areas of jurisdiction. The cases to be filed at the Chief Magistrate Courts include disputes arising from contracts of employment where gross monthly pay does not exceed Kshs. 80,000/-. In addition, the said judicial officers may hear and determine Employment related matters and offences allegedly committed that have been created under the Work Injury Benefits Act, Employment Act, the Labour Institutions Act, the Occupational Safety and Health Act as well as the Labour Relations Act.

**LAND MARK DECISION BY THE SUPREME COURT ON ENGINEERS BOARD**

A Petition was filed by students of Egerton University and Masinde Muliro University of Science and Technology against the Engineers Registration Board for failing to register the students as engineers on grounds that the course material from their universities did not meet their accreditation standards. The Students petitioned the High Court indicating that they were entitled to be registered as engineers upon completing their undergraduate engineering degrees and that they committed no fault in the entirety of their training programme, hence they cannot be punished by being denied to practice the engineering career, they worked so hard for. The students also petitioned that the Engineers Registration Board did not have the powers it arrogated itself to ‘Recognize’ and/or ‘accredit’ and/or ‘approve’ the students’ degree so as to register them as engineers and that it did not have powers to go behind the degree programmes offered by universities and supervise university degrees.

The decision of the Supreme Court declared that the Engineers Registration Board under the provisions of section 11(1) (b) of the Engineers Registration Act (now repealed) to register graduate engineers did not include the power to accredit and approve engineering courses offered by public universities incorporated under the Laws of Kenya. That by refusing to register the applicants, the Board violated the petitioners’ right to fair administrative action and human dignity as provided under the Constitution.

The Supreme Court pronounced judgement in favour of the students and directed the Engineers Registration Board to register the Student Petitioners as Engineers under the Engineers Registration Act within 21 days from the date of the Judgment and pay general damages assessed at Kshs.200,000/- to each Student/Petitioner and bear costs of the cases at the High Court, Court of Appeal and Supreme Court.
MANAGING INDUSTRIAL ACTION AND UNREST AT THE WORKPLACE

FKE succeeded in obtaining Court Injunctions restraining industrial action and strikes in Public Universities and advocated for social dialogue amongst stakeholders to resolve outstanding disputes.

LEGISLATIVE ISSUES

   The proposed Employment (Amendment) Bill 2018 seeks to introduce a pre-adoptive leave period of three months for unmarried persons (both male and female), three months for married women and two weeks for married men.

   FKE opposed this proposed Bill on the grounds that it did not consider the cost implications and impact on employers, the social impact on female employees, lack of consultation and lack of clarity amongst other reasons.

2. The Statute Law (Miscellaneous Amendments) Bill 2018 proposed by Hon. Aden Duale.
   The proposed Statute Law (Miscellaneous Amendments) Bill 2018 sought to amend numerous Bills. FKE responded to the proposed Bill that touched on the Employment and Labour Relations Laws namely –
   
   a.) Higher Education Loans Board 1995 (No. 3 of 1995)
   The proposed Bill sought to change the entire composition of the HELB Board and to have the entire Board constituted by Government appointed Board members thereby removing / leaving out entirely the participation of crucial & key stakeholders such as the private sector particularly the (Kenya Banker’s Association), representatives from both Public and Private Universities and Employers representative (FKE) which is crucial for the recovery of the loans.

   b.) Employment Act, 2007 (No. 11 of 2007)
   The proposed Bill sought to insert proposed provisions that would include deployment and redeployment of the employee and reassignment and re-designation of the job title or grading in the employment contract, which would interferewith the managerial prerogatives of the employer and dictates the insertion of presumptuous and futuristic provisions in the employment contract.

   c.) Labour Institutions Act, 2007 (No. 12 of 2007)
   The proposed Bill sought to insert a provision to include an Export Processing Zones Wage Council. FKE’s position is that the Export Processing Zones (EPZ) is not a sector on its own to necessitate a Wage Council and there is already an existing Regulation of Wages. No justification or reasoning was given by the proposer for this proposed changes.

   d.) The Labour Relations Act, 2007 (No. 14 of 2007)
   The proposed Bill sought to introduce various provisions in the Act such as a Check off Agreement system, introduction of strikes / industrial action in essential services which in FKE’s view offend Articles 24 & 26 of the Constitution on limitation of rights and the right to life.
e. National Social Security Fund Act, 2013 (No. 45 of 2013)
The proposed Bill sought to insert provisions to change the constitution of the NSSF Board to alienate and remove the key contributors of the fund and stakeholders that is Employers and Workers representatives.

f. National Hospital Insurance Fund Act, 2013 (No. 45 of 2013)
The proposed Bill sought to introduce provisions for the employer to make contributions matching the employees’ contributions to the National Hospital Insurance Fund (NHIF) and to change the constitution of the NHIF Board to introduce a Board that alienates and removes key contributors of the fund and the key stakeholders that is Employers and Workers representatives.

FKE opposed the above proposed Bills on grounds that there were no consultations with key stakeholders yet substantial amendments were being sought as well as the unconstitutionality of the proposed amendments, amongst other reasons.

3. Finance Bill 2018
The Finance Act amended the Employment Act to introduce Housing Fund Levy to be contributed by both employers and workers. This Bill was passed and the Employment Act was amended by inserting Section 31A which introduced mandatory statutory contributions of 1.5% of basic wage of an employee from the Employer and 1.5% of basic wage contribution from the worker which amount has a top limit of Kshs. 5,000/- per month.

The constitutionality of the National Housing Fund has now been challenged in Court on grounds that there was no public participation and involvement of stakeholders in the passing of these provisions; automatic increase in the cost of employment; double levy on the employer in respect of Housing; discriminatory to the employer; no benefit to the employer, and the lack of a legal framework in place to support and ensure accountability for the fund amongst other grounds.

“Members continued to enjoy a wide range of legal services which include Consultations on legal and IR matters, legal advisories and opinions, review of HR Manuals, Court representation at the Employment and Labour Relations Court (ELRC), Court of Appeal and Supreme Court and Court mediation.”
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RESEARCH AND POLICY ADVOCACY

POLICY RESEARCH
In 2018 various researches were conducted to inform the Federation’s positions on: Minimum Wage adjustment in 2018; the Housing Fund Levy; various changes to the labour laws; making employers contribute to NHIF; and Business and Human Rights concerns among others.

In addition, the Federation conducted studies on the “cost of labour disputes at the workplace” and skills development where a study was done on the ‘Skills mismatch in the labour market’. The surveys are intended to support growth of business; development of skills that are linked to the needs of the labour market and therefore lend to productivity improvement, and simplifying the doing of business in Kenya; and supporting building of sustainable enterprises.

The Federation through the department also assisted the East Africa Employers Organisation (EAEO) to carry out a research on “The Current Status and Feasibility for a Framework of Labour Market Information System (LMIS) in Kenya.

ADVOCACY
The Federation continued to implement the Employers’ Business Agenda. In 2018 the Focus of the Federation’s Lobbying and Advocacy was Labour laws.

The Research and Policy Advocacy function of the Federation is responsible for: the development and implementation of the Federation’s strategy; its advocacy on behalf of employers through the development and implementation of the employers Business Agenda, conducting of policy researches to inform the Federation’s position on various policy issues; and administrative researches. On a regular basis it also provides updates on social, economic, political and legal developments as well as representing the Federation in forums that initiate policy discussions. In addition, the department conducts surveys that touch on salary, employee satisfaction, work environment, customer satisfaction, and corruption perceptions surveys, and monitoring and evaluation programmes for members.

STEPHEN OBIRO
Manager, Research and Policy Advocacy
FKE represented members on various platforms and forums at country, EAC, continental and international level including at BUSINESSAfrica, Africa Union, ILO and IOE where FKE is strongly represented. Through these forums FKE positively influenced legislation and policy in the areas of employment, labour relations and social policy.

Some of the key policy matters where FKE made significant impact include the Future of Work, Skills Mismatch, Social Dialogue, Labour Migration, extension of Social security coverage, elimination of child labour, Africa integration (the free movement of labour, persons, good and services and the right of residence among AU member states), formalization of informal enterprises, enhancement of Public Private Partnerships, development of Labour Market Information System, and the strengthening of Alternative Dispute Resolution among others.

The Federation also participated in various stakeholder steering committees towards policy formulation. These included the committee for developing Guidelines for Alternative Dispute Resolution under the ministry of Education, in developing a Kenyan work plan for BEAR II (Better Education for Africa’s Rise) project that aims to provide young people in Kenya a better chance to access decent employment and/or generate self-employment through improving the perceptions on Technical and Vocational Education and Training (TVET).

**STRATEGY**

Through the department the Federation developed a new strategic plan for 2019-22 which is being implemented. The strategic plan took into account identified areas of challenge from the 2013-17 strategic plan and has four (4) strategic objectives aimed at enhancing services and engagement with members.

The four strategic objectives are:
1. to enhance members’ satisfaction;
2. to enhance visibility and influence;
3. to achieve financial sustainability; and
4. to build capacity for high performance.
MEMBER COMMUNICATIONS & MARKETING AND BUSINESS DEVELOPMENT

The Federation has continued to step up its efforts in media engagement and communication to members. Besides frequent media coverage by various Media houses, FKE events are now broadcast live on Facebook and links sent to other social media channels for members, partners, policymakers and the general public to follow.

MEMBER RECRUITMENT

Seventy nine (79) new members have been recruited into FKE membership since January 2018. Most of the recruited members came through referrals from happy members and Human Resource personnel who changed jobs to non FKE member employers. A few were realized through media publicity and events held especially partnering with other stakeholders.

MEMBER RETENTION

The Federation enhanced its members retention by implementing various initiatives such as: improved Member Account Management by training staff, enhanced membership subscription payment through focused subscription collection by most staff members, and more productive engagements with members that helped achieve a shorter turn-around time of service delivery. The various events that were held enabled more interactions with members and hence understanding and addressing their needs better.

FKE EVENTS

The following events have been held since January 2018:-
• 3 regional Annual General Meetings (AGMs),
• 1 National Annual General Meetings (AGM),
• 4 FKE-NITA Employers’ forums in Kericho, Kisii, Kakamega, and Meru,
• FKE HR Networking forum in Eldoret,
• FKE, BUSINESSafrica and IOE Enterprise Forum and dinner
• Employer of the Year Awards (EYA) launch
• Employer of the Year Awards & Gala Dinner

The Federation will continue engaging employers who are not members to join FKE. The annual target for recruitment was 150 new Members.
• Stars in Africa forum
• Employment and Labour relations Court Open Day
• Legal Service Week
• Global Apprenticeship Network (GAN) Kickoff meeting
• Skills Mismatch Survey Report launch

The events were well branded for visibility and efficiently organized and they were well attended by members and partners including high profile people including Chief Executives, Cabinet Secretaries and Senior Executives from our member companies. FKE appreciates the strong support and sponsorship of members.

FKE SERVICE UPTAKE
An increase in service uptake was evident due to concerted efforts to promote the services through various online campaigns which were shared through various platforms. The various events held throughout the year were used as major channels of marketing FKE services.
ARE YOU A MEMBER OF THE FEDERATION OF KENYA EMPLOYERS (FKE)? IF NOT, BECOME A MEMBER TODAY!

Now is a great time to join the Federation of Kenya Employers, FKE, membership. We offer peace of mind to employers as we help members deal with issues related to employment, labour relations and social policy.

What you are losing by not being a member of FKE:

1. Strong voice on policies and regulations that affect employers both locally and internationally.
2. Expert guidance on employment, labour relations, workplace and human resource policies and practices.
3. Expert advice on labour law framework and Industrial relation matters.
4. Representation at the ministry of Labour and other line ministries and platforms.
5. Representation at the Employment and labour relations court.
6. Premier management and training consultancy that lead to improved productivity and profitability.
8. Opportunity to benchmark from other employers.
9. Chance to engage and positively influence policymakers both locally and internationally.
10. Chance to network with other employers.

Has your FKE membership lapsed? You are welcome to rejoin!

For more information:
Email: marketing@fke-kenya.org
Mobile: +254 709 827 101/133/143
# NEW MEMBERS 2018

<table>
<thead>
<tr>
<th>NO.</th>
<th>MEMBER NAME</th>
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<tr>
<td>1.</td>
<td>EXPRESS IMPRESS CAR HIRE LTD</td>
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<tr>
<td>2.</td>
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<tr>
<td>3.</td>
<td>VISCAR INDUSTRIAL CAPACITY LTD</td>
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<td>TAI SAVING &amp; CREDIT CO-OPERATIVE SOCIETY LIMITED</td>
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<td>VICTORY FARMS KENYA</td>
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<td>SANOFI - AVENTIS KENYA LIMITED</td>
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<td>TRUST FOR INDIGENOUS CULTURE AND HEALTH</td>
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<td>63.</td>
<td>PREMIUM HYGIENE PRODUCTS LIMITED</td>
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<td>64.</td>
<td>NYAHURURU WATER AND SANITATION</td>
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<td>67.</td>
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<td>68.</td>
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<td>70.</td>
<td>BUSIA SUGAR INDUSTRY LIMITED</td>
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<td>IDEAL APPLIANCES LTD</td>
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<td>CAMARA EDUCATION LIMITED</td>
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<td>OASIS MEDICAL CENTRE</td>
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<td>COAST AUTO MANAGEMENT</td>
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25
FKE CONSULTING SERVICES

The department operated through 3 sections; Learning & Development (L&D), Organizational Development (OD) and Partnerships & Projects.

THE LEARNING & DEVELOPMENT (L&D) SECTION
The Federation is committed to creating sound relations between employers, employees and unions. This is done through training that empowers and enhances the capacity of member companies to be compliant with the relevant labour legislations and other statutory requirements.

In 2018 the training section co-ordinated and managed a total of 46 in-house and 13 - open training programmes in Legal, Industrial Relations, HR & Management and Occupational Safety & Health (OSH).

<table>
<thead>
<tr>
<th></th>
<th>No. of Companies Served</th>
<th>No. of delegates</th>
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<tr>
<td>In-house training programs</td>
<td>21</td>
<td>1050</td>
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<tr>
<td>Open-house training programs</td>
<td>112</td>
<td>229</td>
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<tr>
<td>TOTAL</td>
<td>133</td>
<td>1279</td>
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Source: FKE L&D Section

The specific training programs were in the following areas:

LEGAL AND INDUSTRIAL RELATIONS TRAINING
Training in legal and industrial relations sought to empower participants with insights and knowledge to effectively handle industrial relations issues by covering Labour Laws; Legal Aspects of Outsourcing Labour; Discipline Management; Managing Employment Contracts & Staff Outplacement; and Effective Negotiations Skills for CBA negotiators.

Significantly, FKE is now incorporating case laws and emerging industry trends in all its legal and industrial relations training programs.

ERIC MUNYOBI
Manager, FKE Consulting
MANAGEMENT TRAINING
Management training aimed at imparting the requisite management skills and assisting organizations to attain their goals. In 2018 trainings were mainly conducted in the areas of Performance Management, Management / Supervisory Skills Development, Productivity at the Workplace, Tax Management and Prevention of Sexual Harassment. There was an increased demand in the area of Performance Based Reward Management. The members who contracted FKE to train their staff include:-

• Kenya Electricity Generating Company (KENGEN)
• Nairobi City Water & Sewerage Co
• Transmara Sugar Company Ltd
• East African Breweries Limited
• Tullow Kenya BV
• Kilifi-Mariakani Water & Sewerage Co Ltd (KIMASCO)
• Kenya Bureau of Standards
• Kibabii University
• Tenwek Mission Hospital
• Kenpoly Limited
• Kenya Nut Company Limited
• Water Service Providers Association (WASPA)
• CIC Insurance Group
• Kenya Ports Authority (KPA)
• West Kenya Sugar
• United Millers Ltd

ORGANIZATIONAL DEVELOPMENT (OD) SERVICES
Managing employee relationships is important and valuable to the organizational success and achieving competitive advantage. It is necessary to have a strong relationship between employees and employers that leads to productivity, motivation, and better performance.

Through the OD Service the Federation supported employers by providing effective management solutions to enhance their business competitiveness.

Member training on Labour Laws in Mombasa
The section offered expert advice and consultancy to employers in the following ways:

**HR POLICIES – DRAFTING, ALIGNMENT AND COMPLIANCE TO LABOUR LAWS**

The Federation supported 9 companies in the review of their HR Manuals in 2018. The organizations which benefited from this service were:

- Msingi Bora Kindergarten
- Milly Glass Limited
- European Union Delegation
- CIC Group
- Centum Business Solutions
- AMREF Health Africa
- IntraAfrica Assurance
- Sanlam Limited
- Trans East Group

**JOB EVALUATION AND SALARY SURVEYS**

A number of organizations conducted Job Evaluation Assignments through FKE which incorporated salary surveys of comparable companies to enable them benchmark within the market. The Federation conducted Job Evaluation and Salary Surveys for the following companies:

- Gertrude’s Children Hospital
- Malindi Water & Sewerage Company Limited
- Kilifi-Mariakani Water & Sewerage Company Limited
- Weetabix East Africa Limited
- Automobile Association of Kenya (AAK)

**EXECUTIVE SEARCH AND SELECTION**

Support was provided to members and non members in the executive search and selection (recruitment) of senior staff for various clients such as INGO Feed the Children.
PERFORMANCE MANAGEMENT SYSTEM (PMS)
The department was instrumental in supporting members to develop and implement Performance Management Systems in their organizations. Malindi Water and Sewerage Company Limited was assisted towards this end.

FKE OCCUPATIONAL SAFETY & HEALTH (OSH) PROGRAMMES
FKE continued to train Workplace Safety and Health Committees of various enterprises. The OSH programme aimed to achieve the following objectives:
1. to sensitize OSH Committee Members on requirements of Occupational safety and Health Act 2007;
2. to impart and provide practical skills on effective OSH Management; and
3. to understand and carry out Safety & Health Committee functions.

In 2018 the Federation conducted 3 open-house and 8 in-house OSH training programmes to support employers improve the safety of their employees at workplaces according to the ILO’s Decent Work Agenda. FKE supported 20 organizations in OSH training programmes and reached out to some 149 employees in organizations that include:
- Rabai Operations & Maintenance
- East African Maltings Limited
- Kuehne+Nagel Limited
- Isuzu East Africa
- Kenafric Industries Limited
- Pandya Memorial Hospital
- International Centre for Reproductive Health
- Kenya Civil Aviation Authority

Member training on Labour Laws in Mombasa
Others were Juja Preparatory Schools, Intertek Testing Services, British Army Training Unit in Kenya, Lamu County Public Service Board, Ocean Freight E.A Ltd, Taifa Sacco Ltd, East African Portland Cement Company Ltd, Toyota Kenya, Slansand (A) Ltd and Cytonn Investments Limited.

THE PARTNERSHIPS & PROJECTS

Workplace Condoms Audit supported by International Labour Organization (ILO)

In partnership with Swedish Workplace HIV and AIDS Programme (SWHAP), LVCT Health and International Labour Organization (ILO), FKE carried out a condom audit exercise to identify challenges faced by companies in HIV/AIDS prevention at the Workplace. Companies engaged in the exercise included:

- East Africa Breweries Limited (EABL)
- Mabati Rolling Mills (MRM)
- Barclays Bank of Kenya
- Panesar Kenya Ltd
- Kenya Literature Bureau
- and KTDA Foundation among many others.

The exercise was concluded through a stakeholder’s forum which brought together employers and other partners together to brainstorm on opportunities and innovative ways of private sector response to HIV and partnership with the government Private Sector on HIV Prevention.

CHINA-AFRICA PROJECT SUPPORTED BY NORAD THROUGH NHO

In this component the Federation brings together experts from Africa, Norway and China to share experience in labour relations and best business practices.

The Federation held a Stakeholders Consultative forum which brought together

- Kenya Overseas Chinese Association (KOCA)
- Norwegian Embassy Representatives in Kenya
- Central Organization Trade Unions – COTU
- International Labour Organization (ILO)
- Various employers across Kenya

Stakeholders agreed to strengthen their partnership and support Chinese Enterprises investing in Kenya in understanding the business and labour environment so as to promote sound industrial relations at their workplaces.

FKE also organised a one day training program where 110 Chinese enterprises operating in Kenya were trained on “Forms of Employment Contracts”. The objective of the training was to enhance the understanding of Chinese Employers on types of contracts that exist in Kenya and how they are implemented. Additionally, over 10 Focus Group discussions with Chinese enterprises were conducted to understand the challenges they face regarding Labour laws in Kenya. The outputs of these discussions will help the Federation to address the identified challenges.

HUMAN RESOURCES NETWORKING FORUM SUPPORTED BY NORAD

The Federation has an existing technical corporation framework with the Confederation of Norwegian Enterprise (NHO) which is the equivalent of FKE in Norway. Through support from NHO, the Federation held HR Practitioners’ forums in Nairobi on 28th June 2018 and another one on 11th October 2018 in Mombasa. The theme for the two forums was Dynamisms in the Work-Place Environment. A total of 195 HR practitioners participated in the two forums.
The Federation is committed to creating good relations between employers, employees and unions. This is done through training that empowers and enhances the capacity of member companies to be compliant with the relevant labour legislations and other statutory requirements.

A one day workshop was held on 23rd June 2018 for FKE member associations. The workshop’s main objective was to provide the participants with a platform for growth in skills and knowledge on how to engage their member organizations in lobbying and advocacy activities aimed at influencing policy makers and also to jointly engage with other key stakeholders in addressing the concerns of each specific sector through advocacy. The following associations benefited from the training:

- Engineering & Allied Industries Employers Association
- Kenya Bankers Association
- Motor Trade & Allied Industries Employers Association
- Sisal Employers Association and Timber Industries Employers Association.

The workshop’s main objective was to provide the participants with a platform for growth in skills and knowledge on how to engage their member organizations in lobbying and advocacy activities aimed at influencing policy makers and also to jointly engage with other key stakeholders in addressing the concerns of each specific sector through advocacy. The following associations benefited from the training:

- Engineering & Allied Industries Employers Association
- Kenya Bankers Association
- Motor Trade & Allied Industries Employers Association
- Sisal Employers Association and Timber Industries Employers Association.

You want better answers? We start with better questions.

grantthornton.co.ke
FKE Occupational Safety and Health Programme

FKE OSH Programme builds capacity of employers to protect the safety, health and welfare of their workers. Specifically FKE OSH fosters the following:

i. The protection and promotion of workers' health by preventing and controlling occupational diseases and accidents;
ii. The development and promotion of healthy and safe work, work environments and work organizations;
iii. Enhancement of physical, mental and social well-being of workers; and
iv. Enabling workers to conduct socially and economically productive lives and to contribute positively to sustainable development.

We encourage all stakeholders to develop effective preventive strategies to address the new and emerging safety and health risks at workplace.

Enroll today for FKE OSH workshops!

For more information and sign up for FKE’s OSH Training Programme, please contact

fkehg@fke-kenya.org
wwwandra@fke-kenya.org
+254709827101/2/133/245
FKE Female Future Leadership Development Programme (FF) has addressed the low share of Kenyan women in Leadership and boardrooms. To assist with this, FKE and NHO have partnered in this Flagship program in running the Female Future Leadership Development Programme for women since 2013. FKE targets to train about 300 graduates by the end of 2020 and to have at least 60 percent of the trained women join at least one board each. To date 231 women have gone through the programme as shown in Table 1.

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GENDER EQUALITY GOOD FOR BUSINESS

FKE believes that gender equality is very important for the promotion and sustainability of businesses in the Kenyan economy. Additionally, the encouragement of economic participation of women at the workplace and the private sector in general, is necessary for creating gender diversity and inclusion of women in leadership
positions. Moreover, through the guidance of policies aimed at making the workplace gender sensitive and in the consideration of factors that affect women’s leadership. This ultimately reduces social and economic exclusion. In affirming its commitments to the course of placing women as equal partners in decision making and governance, there is still the need to have more women in Leadership at all levels. For instance, the Gender Bill, in the National assembly on the two-thirds gender rule has been revisited after a period of 5 years where not much action was taken. In spite of these efforts, the proportion of women in leadership and corporate board positions still needs to be enhanced.

The program intends to further develop the capacities of female participants and provide a platform for them to meet and share their experiences.

The Female Future component is therefore seen as a tool to bridge the gender gap at corporate leadership and board level at the workplaces and businesses run by women. Its continuous implementation has the potential of providing women with the necessary capacity in the areas of board competency, rhetoric and leadership skills to withstand competition and take up top level positions for the good of business performance, increase workplace diversity and corporate power dynamics among women.

There have been a few withdrawals from the program with some citing busy work schedules and coinciding business travel which has made them return much later to join other cohorts. A few Self sponsored participants have also withdrawn due to financial strain which they are unable to manage.
SPONSORSHIP
We have seen engagement with new companies sponsoring women into the program. In 2018, we managed to get five new companies into the FF program. We engaged with Norfund on a win-win approach where, we receive nominations from them to the program and in turn, when possible provide participants for board positions in their portfolio companies. This partnership is encouraging as we will be able to have a network broad to be able to develop the capacity of more women on boards.

FEEDBACK
Feedback from companies is of real importance in shaping the FF program to suit the needs of our members and the services required. The development of courses embedded within the program is highly advisable in developing FF to compete and be of value to the growing trends in leadership and management of organizations by having female talent in enterprises.

ALUMNI
Female Future was able to have one Alumni meeting in 2018 which aimed to make FF a support and networking association for women in leadership and to develop mentorship activities.

MENTORSHIP
Through the FF program, we have made it a requirement that each participant takes on a role in the growth of the organization sponsoring them. In this case, each participant from Cohort 12 must have a mentee under the age of thirty at the place of work to mentor professionally so as to grow talent and pass on information that they learn and develop one another at the workplace. This allows for workplace mentorship for those who are still aiming for leadership skills and professional development.

Female Future continues to be a premier experiential, leadership development program and it is our hope that we shall see more participants from member organizations joining in the coming years. The next Female Future Intake will be in April 2019.

VIEWS FROM FF PARTICIPANTS
To highlight the experiences of participants here are a few worthy excerpts regarding the highly engaging Female Future program:

1. The Board competence module helped me appreciate the challenges that Boards in general face and specifically Boards in the third world where governance is still in its infancy and the level of interference from various quarters very high.
2. As a woman board member, I bring a different perspective to the board and aim to use the knowledge acquired and my experience to enrich board resolutions. I have to remember that ‘Women are beacons of integrity’. Consequently, aim to support the board to drive good corporate governance practices in the activities the business / organisation undertakes.
3. As I reflect on the key take-outs from this module, one of the topics that challenged me was the essential qualities of a director. I learnt that some of the ‘soft’ qualities a director must possess include having the courage to question and to challenge, integrity, honesty, strong communication skills and prudence. While I am keen on sitting on various boards a certain question that the lecturer asked - “why would anybody want you on their board other than merely because you are a woman?” really provoked me to question my true intentions of why I wanted to serve in a board.
Some words of wisdom from the FF Conferences:

1. We ladies can attest to the fact that this was a practical course that steered us to be curious and want to learn more. We got a clear purpose that did not only define what we do but defined what we don’t do. Of notable interest was the section on Africa which contrasted the differences between Africa’s untapped riches and Africa’s current plight. This together with the theory of Board Competence as well as the testimonies of women on Boards brought to the fore the additional challenges that African women face not only in leadership but also as Board members. This however, did not deter us. We grew fearless by walking into our fears, and relearned the value of values. (from a Female Future participant)

2. I am to be part of a group of dynamic, intelligent and wonderful women with whom we have journeyed together in Female Future. It’s been nine (9) months of sharing, laughing, crying and certainly learning which have a created bond that has gone much further than career development. Indeed, our lives have intertwined and we have been enriched. Gleaning from our different experiences has enlarged and informed our understanding of leadership particularly as it relates to women. (from a Female Future participant)
FKE Female Future Leadership Program

It is commonly acknowledged that women are vastly underrepresented at the highest level of businesses. Having more women in leadership positions should not be about meeting a quota but the call for gender diversity is about being inclusive and profitable. Great employers empower their female employees to reach the top.

Enroll/Sponsor a female employee to our 9 months Female Future Leadership Programme. The programme covers the below areas:

- How to manage a large audience and negotiate
- Providing leadership at the apex
- How to identify, develop & implement growth
- Show that leadership skills are not gender-based
- By a top 50 business school worldwide
- Your issues
- Managing organizations effectively
- Strategies in any organization
- International endorsement of the competency

Don’t miss out. Sign-up for the program today!

Please contact Mary for more details
mnyaga@fke-kenya.org
femalefuture@fke-kenya.org
+254709827101/2/133/245
NEW REGIONAL OFFICE
The Rift Valley Branch offices were relocated from Milimani to Giddo Plaza which is located off the Nakuru-Eldoret highway and is easily accessible to members. The event was graced by the County CEC Trade, Dr. Ketyenya, FKE CEO, Mrs. J. Mugo, EBS, and General Committee Members.

ANNUAL GENERAL MEETING
The 30th AGM was held on 19th April, 2018 at Sarova Woodlands in Nakuru. The meeting was graced by the VC, Egerton University, Prof. Rose Mwonya, the Regional Branch President Dr. Serrem and the FKE CEO, Mrs. J. Mugo, EBS. The theme was ‘Skills Development and the Future of Work’. The event was well attended.

ROAD TRANSPORT
Construction work was completed on the three interchanges in Nakuru at Nyahururu turnoff, Njoro turnoff and Mau summit junctions. The project which was funded by the World Bank under the Kenya Transport sector support project (KTSSP) will see improved road safety and decongestion along the busy highways.

Death on our roads continued to increase, especially along the Nakuru-Salgaa-Sachangwani stretch. Most of the fatal accidents were attributed to human error and should have been preventable if road users exercised caution.

REPORTS FROM REGIONAL BRANCH OFFICES

RIFT VALLEY BRANCH

Since its inception in 1986, the Branch has continued to serve members drawn from the vast Rift Valley region. The Branch was led by the Chairman, Dr. Thomas Serrem, the Vice Chairman, Mr. John Warutumo, the Regional Manager, Mr. Abisai O. Ambenge and other Committee members.

The Branch General Committee held 10 meetings to consider various reports on industrial relations, legal representation and other important regional issues of interest to members.

ABISAI AMBENGE
Branch Manager, Rift Valley
NAKURU TOWN
The town was earmarked to be elevated to city status after Urban Areas and Cities Amendment Bill got cabinet approval to pave way for two new cities in Kenya.

AIRPORT
Plans to have Lanet Military Airstrip upgraded to an international airport to be used by civilians are at an advanced stage. The County Government has embarked on securing funds for commencement of the project that is expected to turn around fortunes in the tourism and horticultural sectors.

SECURITY
The security situation continued to be volatile in some parts of the region. In Trans-Mara West border there was constant renewed fighting between the Maasai and Kipsigis over cattle rustling. There was concern that if left unchecked, things might turn from bad to worse. The Government deployed police reservists to protect herders. Schools were closed in Baringo over insecurity and this affected more than 4,000 learners.

ECONOMIC ACTIVITIES

WORLD PLOUGHING CONTEST
The Region hosted the World Ploughing Championship which was conducted at the Ngogongeri Far on 1st December 2017. Teams from 20 counties attended. The event was flagged off by H.E. President Uhuru Kenyatta.

BAMBOO FACTORY
The Kenya Water Towers Agency is putting up a bamboo factory in North Rift Region aimed at promoting conservation efforts and market for trees. The project will cost Kshs.1.2b. Elgeyo Marakwet County provided 300 acres of land to put up the Factory. This will boost the economy and create jobs. The agency has partnered with North Rift counties namely; Uasin Gishu, Nandi and Elgeyo Marakwet to plant bamboo trees. The target is 3000 acres in the counties.

TOURISM
Nakuru County hosted the World Tourism Day Celebrations at the Lake Nakuru National Park the first time in 38 years. The event was sponsored by the County Government, KWS, Kenya Tourism Association and Nation Media Group.

MAIZE FARMING
The County Government of Uasin Gishu subsidized maize seeds for farmers ahead of the planting season. The move was aimed at increasing yields by helping the growers acquire more seeds.

The Government banned export of maize. Farmers were unhappy with the ban and wanted the prices of maize increased or they be allowed to sell to the highest bidder given the current supply and demand situation. Farmers are unhappy that the order restricts them to sell their produce within the country saying it flouts the EAC common market protocol. Most farmers hoarded the produce with anticipation of selling when the market prices would be even higher. The national granary held only 1.5m bags against ideal stocks of 8m bags as a strategic reserve. This precarious situation spelled doom to the country’s food security.

TIMBER SECTOR
The timber sector was dealt a big blow after the government banned all logging activities in both community and public forests. This led to huge losses of businesses and labour as many employers were forced to shut down their factories completely.
IRRIGATION

It was noted that more than 100,000 families along the volatile border of Turkana and West Pokot have so far benefited from a Sh61 billion mega dam project being implemented by the Kerio Valley Development Authority (KVDA), in conjunction with the National Government. Upon completion the dam will aid in food sustainability and the supply of enough water for both domestic and livestock use.

The Authority has already completed the first and second phases of the projects at Naipul and Weiwei areas with more than 2,000 hectares of land having been made productive through irrigation to benefit residents.

BRANCH ACTIVITIES

On industrial relations, the Branch negotiated and concluded 18 Collective Bargaining Agreements on behalf of its members and assisted them in sorting out trade disputes and strike management.

On legal matters, the Regional Manager ably represented members in the Employment and Labour Relations Courts in Nakuru, Eldoret and Nyeri.

The Branch conducted open house trainings on Labour Laws and Discipline Management at the Workplace. In addition the Branch held in house training programmes for KENGEN, GDC and Water Companies.

“The Kenya Water Towers Agency is putting up a bamboo factory in North Rift Region aimed at promoting conservation efforts and market for trees. The project will cost shs.1.2b.”
The Elected 2018/2019 Coast General Committee members are:-

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<tr>
<th>Name</th>
<th>Company/Association</th>
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<tr>
<td>Abbas Nasser</td>
<td>Mombasa Hospital Association</td>
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<td>Jeffersons Kefa</td>
<td>Siginon Group</td>
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<td>Robert Clerk</td>
<td>REA Vipingo Plantation</td>
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<td>Panjan Baskar</td>
<td>East African Storage</td>
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<td>Dr. Amani Komora</td>
<td>Kenya Ports Authority</td>
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<tr>
<td>Benson Karomo</td>
<td>Kenya Kazi</td>
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<tr>
<td>Vinay Gudka</td>
<td>Blanket Industries</td>
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<tr>
<td>David Kisa</td>
<td>Kenya Bixa Ltd</td>
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<tr>
<td>Geoffrey Sitati</td>
<td>Tabasamu SACCO</td>
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<tr>
<td>Edward Mudibo</td>
<td>East Africa Tea Trade</td>
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Region held nine (9) monthly meetings to discuss matters affecting their members. The meetings were held every second Tuesday of the month. In addition, the branch had a successful AGM on 12th April 2018.

Agendas discussed during the Regional meetings were mainly in areas of Supply of Power, Infrastructure Development and especially on Roads and the SGR, Water and Sanitation, Shipping and Transport, Health and Tourism, Storage and Manufacturing, Agriculture, Education and Security.

The Coast Committee noted that the introduction of the SGR has contributed immensely in increasing the local tourism as well as easing the transport sector in terms of commuter and cargo transportation.
The Coast Committee noted that the introduction of the SGR has contributed immensely in increasing the local tourism as well as easing the transport sector in terms of commuter and cargo transportation.

The County also benefited from the completion of the Dongo Kundu road that connects the southern part of the Coast and the Island. Other roads which are under construction and nearing completion are the Changamwe Miritini Road and the expansion of the Mombasa Malindi Road.

The Port of Mombasa is doing well amid challenges of delays caused by congestion at Embakasi and delays by KEBS and KRA officers in verifying consignments. The relocation of the Port Activities that is to Embakasi has reduced transport activities in Mombasa leading to downsizing of transport companies in Mombasa.

Issues on the state of the economy and political development were also discussed at length by the Committee Members at the Region. The Region also discussed issues on Industrial Relations and Industrial Court issues. The Region concluded 23 CBAs and assisted its Regional members organize five (5) open and in-house courses. The Region also held two (2) FKE open forums:

- One on Emerging Legal issues; and
- Overview of the WIBA Obligations.

The Region registered seven (7) new members and lost three (3) members as a result of financial constrains. The Legal section at the branch handled a total of 117 Cases 30 of which have been concluded and 87 are ongoing.
The branch was led by the Regional President Mr. Charles Owelle (former Managing Director of Chemelil Sugar Company Ltd) deputized by Dr. Margaret Oloo, Director of St. Luke Medical Centre. The Regional Manager, Mr. Dickens M. Ouma managed the operations of the branch.

The other members of the General Committee were Immediate Past Regional President Mr. Vinod Patel, Director Skylark Construction Ltd, Mr. Thomas Odongo, Managing Director of Kisumu Water & Sewerage Company Ltd, Mr. Bharat Thakar, Director of Kenshop Supermarket Limited, Mr. D.R. Raicha Director of Raicha Electro Services and Mr. J. Norman Brooks Chairman, Homalime Company Ltd, and Eng. David Onyango (former Managing Director of Kisumu Water & Sewerage Company Ltd) who left after the lapse of his term.

On industrial relations, the branch received Eighteen (18) CBAs of which fourteen (14) have been concluded and four (4) were still ongoing. The Branch handled seventy-four (71) court cases of three hundred and ninety (390) cases registered at the Employment and Labour Relations Court in Kisumu, twenty-four (24) judgments were delivered in the period under review. The Branch also handled four (4) cases out of sixty (67) cases registered at the Bungoma Employment and Labour Relations Court. It is important to note that the Chief Justice gazetted the Magistrates to handle labour disputes where the employees earn not more than Kshs.80,000/- per month. This was meant to ease the backlog of cases at the Employment and Labour Relations Court. In the year under review the Sugar Sector has continued to perform dismally, with most of the millers crushing below capacity at 30 per cent due to cane shortage, aging machines that need servicing as well as other adverse policy issues.
The branch facilitated four (4) trainings including three open house on Effective Industrial Relations, Discipline Management at the work place and Tax Education in partnership with Kenya Revenue Authority (KRA). The Secretariat also conducted an in-house training on Pre-CBA negotiations skills for Kibabii University.

The water hyacinth in Lake Victoria has affected the economy in the region as water transport and tourism activities at the Lake have stalled. It is important to note the hyacinth needs a lasting intervention to spur the economy of the region. The Branch similarly noted the infrastructural activities in various parts of the region. This included roads construction, expansion and stabilization of power supply as well as water supply mainly in Kisumu, Kakamega, Siaya and Vihiga counties.

Overall, the period under review experienced stability on the economic, political and industrial relations front particularly coming against the backdrop of the negative effects of the 2017 general elections.

“The Branch also handled 4 cases out of 67 cases registered at the Bungoma Employment and Labour Relations Court. It is important to note that the Chief Justice gazetted the Magistrates to handle labour disputes where the employees earn not more than Kshs.80,000/- per month.”
Employers are ENTREPRENEURS who own CAPITAL and LAND. They take risks through investment and risk loses or maximize profits depending on their quality of HUMAN CAPITAL.

Who we are:
IHRM is a State Agency established under the Human Resource Management Professionals (HRMP) Act, No. 52 of 2012. Its mandate is to regulate the HR profession in Kenya, enhance competencies and capabilities while supporting employers meet compliance requirements.

MAXIMIZE PROFITS AND AVOID LOSES THROUGH:
- Ensuring only registered & licensed HRM professionals manage your human capital,
- Support to ensure they hold a current annual license to practice HR,
- Support them renew their IHRM membership subscription,
- Ensure your HR Committees are given technical HR guidance by a qualified, competent, licensed HR practitioner to avoid unnecessary employment litigation,
- Constantly update their skills and competencies,
- Support them attain IHRM certification through Certified Human Resource Professional (CHRP),
- Sponsor HRM professionals to iHRM activities.

COMPLIANCE WITH THE HRMP ACT NO. 52 OF 2012

What is the requirement?
To practice or work as a Human Resource Management professional in Kenya across all sectors, one should be registered as a member of IHRM. To head the HR Function or a sub-function of HR, one must hold a Practicing Certificate.

To be in good standing one is required to adhere to the HR Professionals' Code of Ethics, honor membership subscriptions on time and engage in learning activities. Ten (10) Continuous Professional Development (CPD) Credit Points will annually represent this advancement.

Who should comply?
Anyone who works as a HR Practitioner, HR Assistant, HR Officer, HR Manager, HR Director, Chief HR Officer, HR Consultant, Lecturer in HR e.t.c. in Kenya.

Why should one comply?
a) It is a requirement of the law as defined in the HRMP Act No. 52 of 2012;
b) It is a requirement for appointment to HR positions;
c) To gain credibility from your clientele;
d) It is a requirement for procurement of HR contracts;
e) To get favorable recommendation from IHRM.

Consequences of non compliance
a) Risk being de-registered & consequently barred from practicing HR,
b) Two years imprisonment or;
c) A fine not exceeding Two Hundred Thousand Kenya Shillings (Ksh. 200,000) or
d) Two years imprisonment and a fine not exceeding Two Hundred Thousand Kenya Shillings.
## KEY MEETINGS ATTENDED

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<th>NO.</th>
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<th>MEETING DATE &amp; VENUE</th>
<th>SUMMARY OF DISCUSSION &amp; RESOLUTION</th>
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| 1.  | Tripartite meeting for African members of the ILO Governing Body | 5th to 7th February 2018, Abidjan, Ivory Coast | **Purpose:** Orientation Seminar for newly elected African tripartite members of the ILO Governing Body. The matters discussed at the orientation seminar included the following:  
- Overview of ILO Strategic vision, Structures and Programming;  
- Roles and responsibilities of Governing Body members, including Officers of Governing Body and the Secretariat;  
- Panel discussion on Social Protection and Labour Migration in Africa – Emerging issues, challenges and opportunities;  
- Panel discussion on international Labour Standards, Tripartism and Social Dialogue – Emerging issues, trends and opportunities;  
- Future of work and centenary initiatives;  
- Panel discussion on ILO engagement and partnership for delivering sustainable decent work results: (i) Effective ILO development cooperation in support of Sustainable Development Goals (SDGs); (ii) UN reform and implications;  
- Panel discussion on the 14th African Regional Meeting;  
- The meeting made recommendations on all the matters deliberated on which will inform the priorities and work of the African continent during the mandate of the elected African members to the board of the International Labour Organisation. |
| 2.  | Skills Initiative design and planning workshop | 27th February - 1st March 2018, Rustenberg, South Africa | **Purpose:** Design and planning workshop for the Skills Initiative for Africa (SIFA)  

**The objectives of the workshop:**  
- To bring together SIFA’s key implementing partners to reflect on one year of SIFA implementation and draw on lessons learnt;  
- To adjust the current project framework, both in terms of implementing structures, as well as targets in line with the conditions stated by the Federal Ministry for Economic Co-operation and Development (BMZ) and lessons learnt from the first years of implementation;  
- To build capacity of Employer organizations in Africa. |
| 3.  | Governing Body Meeting, ILO, Geneva | 7th to 22nd March 2018, Geneva, Switzerland | **Agenda:** the key matters discussed by the GB at the March session included the following:-  
- **Institutional Section:** the Standards Initiative aimed at strengthening the Supervisory system of the ILO and simplifying the procedures for reporting complaints and the need to encourage solutions at national level first before matters are reported to the ILO. Also discussed was the work of the Committee on Freedom of Association & ILO Programme Implementation;  
- **Policy Development Section:** ILO cooperation with the Tobacco industry in the pursuit of its social mandate. The UN Task Force on the Prevention and Control of Non-Communicable Diseases (UNIATF), of which the ILO is a member, considered a Model policy for UN Agencies on preventing tobacco industry interference. The Global Board was expected to deliberate and decide to either request the ILO Director – General to continue to engage with the tobacco sector in pursuit of ILOs mandate, or to stop receiving funding in the future from such companies and institutions and to explore alternative sources of funding. The FKE Executive Director is the Employers Spokesperson on this item which has proved to be a very difficult discussion. Despite strong lobbying from the FCTC Secretariat to cut the funding from tobacco sector, employers managed to get some governments and workers to support our stand. Employers have maintained that tobacco is a legal business activity and should not be discriminated against as it supports many programmes in line with ILO mandate. |
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|     | Export Processing Zones Meeting of Experts Report | | The key issue was how to promote decent work and protection of fundamental principles and rights at work in export processing zones. Employers' position was that there being no standalone ‘action plan on EPZs’ the office’s work on EPZs should be incorporated into existing ILO programmes, including the action plan on Global Supply Chains. The Office should focus, first and foremost, on improving the knowledge base to obtain up-to-date information and a holistic picture of the nature of EPZs, including collaborating more closely with other international organisations such as UNCTAD, WTO, OECD and the World Bank.  
  - Future activities on EPZs should carefully balance the need to protect the enclave nature of EPZs so that the positive elements are retained and the importance of forging stronger linkages between enterprises in EPZs and producers in the broader economy;
  - The ILO should not try and turn EZPs into engines of sustainable development in which EPZs are further distanced from the broader national economy. For example, employers will not support any efforts to create a separate, parallel labour regulatory system on EPZs outside of the national context. They would also oppose ‘criteria’ on how EPZs can advance sustainable development and any ‘guidance’ on setting up EPZs.  
  Conclusion:  
  - Workers agreed to not having a standalone ‘action plan’ on EPZs, on condition the office properly focuses on this topic and allocates additional resources to its work, something the EU supported. The Office said that it would consult with constituents on how it carries out its future work.  
  Other issues discussed were:  
  - Legal Issues and International Labour Standards Section;
  - Programme, Financial and Administrative status report;
  - Future of work Agenda;
| 4   | Training with Chinese Enterprise | 6th April 2018, Mombasa, Kenya | Purpose: To orient Chinese Companies in the Coast Region on existing forms of Employment Contracts, types of work permits for foreigners, policies and the process of acquiring work permits.  
  Outcome: The Chinese firms gained a better understanding of Employment contracts and procedures of acquiring work permits for their expatriates to work in Kenya.  
  A Memorandum of partnership between FKE and Kenya Overseas Chinese Associations was signed where Chinese firms will join FKE membership to be served on matters of Industrial Relations in Kenya. |
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| 5.  | Digital Skills for African Youth Conference | 17 to 19th April 2018, Ramada Plaza Hotel, Tunis, Tunisia | The conference discussed:  
• Challenges and opportunities for advancing the TVET Agenda;  
• Harnessing of Good Practice Examples for the African Skills Portal for Youth Employment and Entrepreneurship (ASPYEE);  
• Plan of Action for the African Decade for Technical, Professional and Entrepreneurial Training and Youth Employment;  
• Implementation modalities of the TVET Continental Strategy.  
• Creating a shared vision for transforming TVET architecture in Africa;  
• Exploring the future of the World of Work to inform skills policy;  
• The future of skills and jobs.  
• African Youth, digital competencies and creative media: (“from skills to market”. New approaches for youth empowerment through digital skills and entrepreneurship: addressing the skills gap and fostering inclusive growth)  
• Empowering young women and girls through digital skills.  
• Conventional and emerging technologies (Virtual Realities, Open Educational Resources, Gamification, Robotics, Open Badges, etc.) – Trends in skilling youth for new and future jobs.  
• Digital secondary education, 21st century skills and readiness for the world of work.  
• Adapting and developing agility through comprehensive national digital skills for enhanced employability, productivity and innovation capacity. |
| 6.  | East, Central & Southern Africa Employers Annual Conference, (ECSAO) | 26th to 27th April 2018, Kampala, Uganda | Theme:  
Accelerating an Enabling Environment for Youth Employability and Entrepreneurship.  
The main topics discussed included:-  
• Youth employment, regional integration and labour migration;  
• Business perspectives on the Global Compact for Safe, Orderly and Regular Migration, which will be adopted by the UN later in 2019;  
• Best practices to address youth unemployment, as well as ways to foster youth and women’s entrepreneurship;  
• A Road Map to identify and implement key areas for action to deliver the objective of the event;  
• Preparations for the 2018 International Labour Conference and key matters relevant Employers. |
| 7.  | Inaugural Meeting of the AU Labour Migration Advisory Committee (AULMAC) | 2 to 4 May 2018, Pullman, Dakar, Senegal | The inaugural meeting of the AULMAC highlighted key issues requiring engagement of the Committee as a whole. The roadmap builds on key issues raised in Position Papers of LMAC Members and their respective strengths on policy frameworks and legal instruments development, implementation, and monitoring / evaluation.  
BUSINESSAfrica / FKE representative, Stephen Obiro was elected the Second Vice President of the committee for a term of 5years.  
The mandate of the committee is to:  
a. ) Ensure follow-up on the implementation, promotion and protection of the rights of migrant workers and members of their families enshrined in the appropriate AU and International Charters and protocols in order to progressively achieve the free movement of persons, and to ensure enjoyment of the right of residence, the right of establishment and access to legal employment in host countries (Abuja Treaty, July 1991).  
b. ) Facilitate harmonization of labour, social security and fiscal legal frameworks that promote and protect the rights of migrant workers between countries, in close collaboration with RECs.  
c. ) Commission inter disciplinary assessment on issues and challenges related to the rights of migrant workers and members of their families. |
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| 8.  | 107th Session of the International Labour Conference (ILC) 2018 | 25th May to 9th June 2018, Geneva, Switzerland | d.) Prepare recommendations to Member States and RECs on labour migration management policies and principles in view of improving policy frameworks and legal instruments at all levels, in close collaboration with the RECs;  
  e.) Receive and consider communication from international partners and Non State Organizations on the situation of migrant workers’ rights in Member States, and submit recommendations to the AU competent policy organs;  
  f.) Undertake consultation and cooperation with AU-ECOSOCC, the Pan African Parliament, the AUC-RECs annual coordination meetings, and other relevant AU organs.  
  g.) Cooperate with similar other African, International and Regional similar Institutions and organizations concerned with the promotion and protection of the rights and welfare of migrant workers and members of their families. | Summary:  
  107th session of the ILC discussed building a future with decent work.  
  Other meetings held on the sidelines of ILC Conference were: -  
  • BUSINESSAfrica Executive Committee  
  • BUSINESSAfrica General Assembly  
  • IOE General Assembly  
  • IOE Management Board  
  • Meeting with International Partners: - DECP  
  • Bilateral meetings with other partners |
| 9.  | Skills Initiative for Africa | 29th to 30th October 2018, Addis Ababa, Ethiopia | Purpose: The Skills Initiative for Africa (SIFA) aims to promote occupational prospects of young Africans through the support of innovative skills development programs and a close cooperation with the private sector as integral key stakeholders in the creation of jobs. The SIFA Private Sector Roundtable brought together members of the Business Community, public and other key stakeholders encompassing continental, regional and national actors, with the aim to bring the engagement of the Business Community in skills development to the next level. The affiliation with Africa Talks Jobs will help to deepen exchange and work towards implementation and execution arrangements through development of individual national regional action plans for the targeted regional anchor partner organisations. |
| 11. | ITP on Productive employment and decent work training | 15th September to 6th October 2018, Stockholm Sweden | Purpose:  
  • An international Training program on the Swedish Model of managing the labour market (social dialogue, promoting employability and forecasting).  
  • Understanding how the Nordic Model of Social Dialogue work. |
| 12. | 5th African Social Partners Summit on Employment | 13th to 14th September 2018, Abidjan, Cote d’Ivoire | Purpose: The theme of the meeting was “Monitoring and Developing National Action Plans.” Using the tripartite foundations of the 2015 Blueprint for Jobs in Africa, which remains a key reference for employer organizations’ advocacy efforts and activities, and the 2016 Tunis Action Plan as guidance, social partners continued their vision of inclusive growth that provides a future for young people on the African continent. |
## FKE’S REPRESENTATION IN BOARDS AND COMMISSIONS

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<th>NO.</th>
<th>COMMITTEE/BOARD</th>
<th>FKE REPRESENTATIVE(S) CURRENT</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>NATIONAL LABOUR BOARD</td>
<td>Mrs. Jacqueline Mugo</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mr. Michael Macharia</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mr. John Karanja</td>
</tr>
<tr>
<td>2.</td>
<td>AGRICULTURAL WAGES COUNCIL</td>
<td>Mr. Apollo Kiarii</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mr. Robert Muthanga</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ms. Jacinta Kipkering</td>
</tr>
<tr>
<td>3.</td>
<td>GENERAL WAGES COUNCIL</td>
<td>Mr. Linus Kariuki</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mr. Chris Malavu</td>
</tr>
<tr>
<td>4.</td>
<td>NATIONAL SOCIAL SECURITY FUND BOARD OF TRUSTEES</td>
<td>Mr. Mark Obuya</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mrs. Jacqueline Mugo</td>
</tr>
<tr>
<td>5.</td>
<td>NATIONAL HOSPITAL INSURANCE FUND BOARD OF MANAGEMENT</td>
<td>Mrs. Gilda Odera</td>
</tr>
<tr>
<td>6.</td>
<td>NATIONAL INDUSTRIAL TRAINING AUTHORITY</td>
<td>Mr. Hirji Shah</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mrs. Jacqueline Mugo</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mr. Aram Mbui</td>
</tr>
<tr>
<td>7.</td>
<td>THE NATIONAL ADVISORY COMMITTEE ON OCCUPATIONAL</td>
<td>Eng. David Onyango</td>
</tr>
<tr>
<td></td>
<td>SAFETY AND HEALTH</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>NATIONAL AIDS CONTROL COUNCIL</td>
<td>Mr. Mark Obuya</td>
</tr>
<tr>
<td>9.</td>
<td>HIGHER EDUCATION LOANS BOARD</td>
<td>Mrs. Jacqueline Mugo</td>
</tr>
<tr>
<td>10.</td>
<td>KENYA PRIVATE SECTOR ALLIANCE (KEPSA)</td>
<td>Eng. Erastus Mwongera</td>
</tr>
<tr>
<td>11.</td>
<td>THE KENYA ACCOUNTANTS AND SECRETARIES NATIONAL</td>
<td>Dr. Nyambura Koigi</td>
</tr>
<tr>
<td></td>
<td>EXAMINATIONS BOARD (KASNEB)</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>COMMISSION FOR UNIVERSITY EDUCATION</td>
<td>Eng. David Onyango</td>
</tr>
<tr>
<td>13.</td>
<td>NATIONAL QUALIFICATION FRAMEWORK</td>
<td>Mrs. Gilda Odera</td>
</tr>
<tr>
<td>14.</td>
<td>NATIONAL EMPLOYMENT AUTHORITY</td>
<td>Mrs. Jacqueline Mugo</td>
</tr>
<tr>
<td>15.</td>
<td>SALARIES AND REMUNERATION COMMISSION</td>
<td>Mrs. Jacqueline Mugo</td>
</tr>
</tbody>
</table>
FKE China Africa Programme

Are you a Chinese employer in Kenya? FKE China-Africa programme gives you peace of mind!

The FKE China Africa programme supported by the Norwegian Enterprise Confederation, NHO, and implemented through collaboration with China Enterprise Confederation, CEC, and Kenya Overseas Chinese Association, KOCA, seeks to promote good employment and labour relations practices and behaviours in workplaces owned by Chinese investors in Kenya.

Through the program, FKE helps you the Chinese Employers to understand and comply with the laws and policies guiding the Kenya Labour market and to adopt good practices at your workplaces.

Chinese employers in Kenya working closely with FKE have peace of mind, are accepted by the society and enjoy harmonious labour relations at their enterprises!

Join FKE China-Africa programme today!

FOR MORE INFORMATION, Please contact us; Email: fkehq@fke-kenya.org Telephone: +254709827101/2/133/143
The Employer of the Year Awards (EYA) is an annual event that the federation conducts with the aim of recognizing the best industry players based on a number of criteria. The first EYA even was held on May 19th 2017 at the Vila Rosa Kempinski Nairobi where member companies that have excelled in various categories were recognized and the 2nd event was held on 21st September at the Radisson Blu Hotel in Nairobi.

Tobacco manufacturing company British American Tobacco Kenya Plc (BAT) emerged the overall best employer during the EYA in 2018. BAT, which also won the inaugural EYA last year, beat a large field of giants including Safaricom to emerge the best company in the second year running.

Safaricom emerged the second best company followed closely with Kenya Electricity Generating Company (Kengen) in third position. EYA, an annual event, is an initiative of the FKE that is geared towards promoting and encouraging best practices in Corporate Performance, People Management and Industrial Relations practices amongst employers in Kenya.

While thanking the winners, the Guest speaker, at the EYA Gala Dinner, Public Service Cabinet Secretary, Prof Margaret Kobia called on companies to invest more in people for better results at the workplace. "Employers who provide the right environment, support and tools for career advancements reap the benefits in terms of high morale, less absenteeism, loyalty, productivity, trust and superior customer service," said Prof Kobia, adding “It is instructive to note that in the Public Service this has been recognized and so emerging issues in HRM such as flexitime, health facilities, counseling services, rehabilitation services, education on healthy living as well as pre-retirement counseling are now accepted practices.”
More than 127 companies from various sectors including manufacturing, Health, Energy, Telecommunication & Technology, Banking, NGOs, State corporations, and agriculture took part in the event whose ratings were carried out by PriceWaterCoopers (Kenya). FKE’s Executive Director Mrs. Jacqueline Mugo called on organizations to participate in the annual event, and congratulated the winners.

“EYA provides opportunity to employers to compare notes and adopt best business practices that will enable them create wealth and positively impact society through Corporate Social Responsibility (CSR),” said Mrs. Mugo. She continues “EYA is about enhancing productivity and striving to achieve full employment for our youth.”

Participating companies were first subjected to an online survey to determine their suitability for taking part in the competition. Companies were evaluated in eight categories where, a winner and a runners-up position were announced eventually culminating in an overall winner. This is where BAT excelled.

The criteria and winners include:-

- **Leadership and Governance** (Top Company; Centum; 2nd runners up-Kengen);
- **Corporate Performance** (Top; Safaricom; 2nd Runners-up; University of Nairobi);
- **Innovations and Productivity** (Top; Safaricom Plc; 2nd runners-up University of Nairobi);
- **Responsible Business Conduct** (Top-Kengen; 2nd runners-up Lewa Wildlife Conservancy);
- **Inclusiveness and Diversity** (Top-LVCT Health; 2nd runners up-Oserian Development Company Ltd);
- **Workplace Environment** (Top-BAT – 2nd runners up Centum Investments);
- **Learning and Development** (Top-EA Breweries, 2nd runners up –capital Markets Authority); and
- **Human Resource Practice and Industrial Relations** (Top-BAT, 2nd runners up –Eco bank).

FKE’s National President Mr. Mark Joseph Obuya said the award celebrates companies whose businesses are rooted in good leadership, responsible business practices and skills development. “This award celebrates innovation and the creation of quality and decent jobs for everyone, fair pay for all workers and companies that have done away with child and forced labour. Indeed we need to look at the entire working ecosystem,” said Obuya.

**The top ten best companies:-**

1. British American Tobacco Kenya Plc
2. Safaricom Plc
3. Kenya Electricity Generating Company
4. Centum Investment Company
5. Bamburi Cement Limited
6. East African Breweries Limited
7. Tullow Kenya BV Limited
8. Liberty Life Assurance Kenya Limited
9. Base Titanium Limited
RULES OF THE AWARD

1. Participation is open to all employers in Kenya who are FKE members.
2. Winners may participate in the same category in subsequent years.
3. Participation will be deemed complete when the employer questionnaires are duly filled and submitted.
4. The Employer of the Year Awards Committee reserves the right to validate all claims officially presented by the participating employers.
5. Judges from a reputable consultant will deliberate on the merits of each of the nomination and select the final winners of the awards.
6. Should there be inconsistencies which may materially affect the integrity of participation due notice of the appropriate action to be taken by the committee shall be sent to the contact person.
7. The Federation of Kenya Employers Management Board shall confirm the decision of the Judges, which shall be final.
8. The Awards Committee and the Federation of Kenya Employers Management Board commit to their level best to provide clarifications on the Awards and the Ranking Criteria.
9. All participating employers will be required to be present at the gala dinner where the winners will be announced.
10. The winners, Judges, Board of Management and Awards Committee Members shall be required to execute a Declaration of Confidentiality until the Awards night.
EYA 2018 GALA DINNER AND AWARDS
EXTRACTS OF FINANCIAL REPORT

Independant Auditor’s Report

In our opinion, the financial statements present fairly, in all material respects, the financial position of Federation of Kenya Employers as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting standards.

BASIS FOR OPINION
We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the financial statements section of our report. We are independent of the Federation in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

SAMSON MUGWE
Ag. Chief Manager, Finance & Operations

TO THE MEMBERS OF FEDERATION OF KENYA

EMPLOYERS Report on the Audit of the Financial

STATEMENTS OPINION
We have audited the financial statements of Federation of Kenya Employers set out on pages 9 to 30, which comprise the Statement of Financial Position as at 31 December 2018, and the Statement of Revenue and Expenditure, Statement of Changes in Reserves and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
OTHER INFORMATION

The Management Board is responsible for the other information. The other information comprises the Executive Director’s report which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as the Management Board and Executive Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Federation’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the either intend to liquidate the Federation or to cease operations, or have no realistic alternative but to do so.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the federation’s internal control;
• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board;
• Conclude on the appropriateness of the Directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the federation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the federation to cease to continue as a going concern; and
• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS
We report to you, based on our audit that:

• We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit;
• In our opinion proper books of accounts have been kept by the Federation, so far as it appears from our examinations of those books; and
• The Federation of Kenya Employers Statement of Financial Position and Statement of Revenue and Expenditure are in agreement with the books of account.

BDO EAST AFRICA
Certified Public Accountants

Clifford Ah Chip, engagement partner responsible for the audit.
CPA, Practicing Registration Number P/1964

Date: 03/05/2019
STATEMENT OF REVENUE AND EXPENDITURE
For the year ended 31 December 2018

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4</td>
<td>171,807,730</td>
<td>169,152,195</td>
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<tr>
<td>Other income</td>
<td>5</td>
<td>12,214,763</td>
<td>13,530,917</td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
<td>(179,846,982)</td>
<td>(173,037,309)</td>
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<tr>
<td>Operating surplus</td>
<td>7</td>
<td>4,175,511</td>
<td>9,645,803</td>
</tr>
<tr>
<td>Surplus before taxation</td>
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<td>4,175,511</td>
<td>9,645,803</td>
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<tr>
<td>Taxation</td>
<td>6</td>
<td>(2,645,208)</td>
<td>(323,242)</td>
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<tr>
<td>Net surplus</td>
<td></td>
<td>1,530,303</td>
<td>9,322,561</td>
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# Statement of Financial Position

For the year ended 31 December 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018 Kshs</th>
<th>2017 Kshs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
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<tr>
<td>Property and equipment</td>
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<td>23,380,005</td>
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<tr>
<td>Prepaid operating lease rentals</td>
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<td>325,781</td>
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<tr>
<td>Deferred tax</td>
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<td>5,032,924</td>
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<tr>
<td>Fixed deposit</td>
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<td>7,735,084</td>
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<tr>
<td><strong>Total Assets</strong></td>
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<tr>
<td><strong>Current Assets</strong></td>
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<tr>
<td>Accounts receivable</td>
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<td>37,125,353</td>
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<tr>
<td>Current tax receivable</td>
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<td>7,996,719</td>
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<td>Cash and cash equivalents</td>
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<td>396,662,619</td>
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<td><strong>Total Assets</strong></td>
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<td><strong>Accumulated Reserves and Liabilities</strong></td>
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</tr>
<tr>
<td>Accumulated reserves</td>
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<tr>
<td>Other reserves</td>
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<tr>
<td>Revaluation reserve</td>
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<tr>
<td>Revenue reserve</td>
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</tr>
<tr>
<td><strong>Total accumulated reserves and liabilities</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Liabilities**

**Current Liabilities**

| Accounts payable | 14 | 343,420,531 | 243,393,709 |

**Total accumulated reserves and liabilities**

| 478,258,485 | 376,701,360 |

The financial statements and the notes on pages 9 to 30, were approved by the Management Board on 3rd May 2019 and were signed on its behalf by:

National President

MARK JOSEPH OBUYA

Executive Director / Secretary

JACQUELINE MUGO, EBS. OGW.
FKE Adopt-A-School initiative is a strategic approach to tackle child labour through education.

The initiative calls upon businesses to support schools with infrastructure development, school feeding programmes, income generating activities, bursary schemes and uniforms. The Main focus on Adopt-A-School is to tackle child labour through improved access to education, equity and improved transition reaction from primary schools.
2018 PICTORIALS

1. BAT’s CEO, Ms. Beverly Spencer signs the visitor’s book during the launch of EYA 2018. Looking on is the FKE National President, Mr. Mark Obuya.

2. FKE Executive Director, Jacqueline Mugo attending the ILO conference in Geneva.

3. FKE Management Board and senior staff in a courtesy call meeting with the CS. Amb. Ukur Yatani in his office.

4. Courtesy call at the FKE headquarters by newly appointed Nation Media Group CEO Mr. Stephen Gitagama (2nd from left).
2018 PICTORIALS

2018 NAIROBI REGION BRANCH AGM
GOOD BUSINESS IS KNOWING

SAVING IS

EARNING

ENJOY VERY ATTRACTIVE

INTEREST RATES

WITH FULL

TAX EXEMPTION

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NAIROBI OFFICE

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Office Main Line: 273729 / 48 / 49 / 52
Office Cellular Lines: 0709 827 101 / 102
Email: fkkens@fke-kenya.org

Visit our website http://www.fke-kenya.org
Follow us on @fkekenya
Write on our @fkekenya

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Email: fkkemnu@fke-kenya.org

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Email: fkkemsaq@fke-kenya.org