

FKE WEEKLY eSHOT

4th September, 2020

Regional Webinar for Chinese Employers in East Africa

WEBINAR FOR CHINESE EMPLOYERS IN EAST AFRICA

TOPIC
Impact of COVID-19 on Employment Relations and what Chinese Employers in East Africa should know.

MODERATOR
Dr. Michael Niw, Director, International Department, CEC

SPEAKERS
Mr. Douglas Opio, Executive Director, FUE
Mr. Yu Wu, Deputy Director General, CEC
Ms. Jacqueline Mugo, Executive Director & CEO, FKE
Ms. Tori N. Tvelt, Director of International Cooperation Programme, NHO
Dr. Aggrey K. Mlimuka, Executive Director & CEO, ATE

Date: Wednesday 2nd September, 2020
Time: 10:00-12:00am EAT

中國力量
AGAINST COVID-19

Employers (ATE) noted that the employers rallied Government to address Covid - 19 urgently due to its impact on businesses. ATE proposed a raft of measures to lobby government to make policy changes to cater for the unprecedented situation.

"The Federation will continue to engage with Chinese Employers in Kenya & other stakeholders on matters concerning employment, employers and employees' challenges with the view of finding real time solutions for enterprise survival," said Ms. Jacqueline Mugo, the Executive Director, FKE.

From the discussions, Employers agreed that the pandemic had impacted Industrial Relations in the highlighted ways

- Compliance with government Protocols and Guidelines
- Ongoing Collective Bargaining Agreements (CBAs) negotiations were put on hold in order to observe social distance protocols.
- Meetings for resolution of trade disputes at the labour offices were all suspended.
- Implementation of financial clauses in CBAs were suspended due to the unbearable wage bill on employers.
- Employers could no longer operate normal shift work as workers had to leave their stations by 1600 hours.

To understand the options Chinese employers' have in resolving industrial relations issues under these circumstances, ensure business continuity and save jobs, FKE led social partners in formulating

The Federation of Kenya Employers (FKE) joined the China Enterprises Confederation (CEC) and other Employer Federations in East Africa for discussions on the impact of Covid-19 on Employment Relations and what Chinese Employers in the region need to know.

This first Chinese - Africa engagement gave the employers confederations an opportunity to give a status update on emerging labour relations challenges and possible solutions towards this as provided for by each country.

Mr. Douglas Opio, the Executive Director of the Federation of Uganda Employers (FUE) noted that the

situation in Uganda has been relatively stable with the Government allowing businesses to operate under strict regulations. "This has had a positive response on employers. However, employee issues are emerging and the Federation continues to issue advisories on a needs basis," he said.

The Deputy Director Chinese Employers Confederation, Mr. Yu Wu noted that the China Africa Program sought to encourage Chinese employers to carry out responsible business in Africa, build harmonious industrial relations and build sustainable businesses. Dr Aggrey Mlimuka, the Executive Director, Association of Tanzania

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a Framework Agreement providing for consultations through good will, trust and mutual understanding.

Social partners agreed that employees could be sent on normal leave, leave in advance, unpaid leave and where inevitable subjecting employees to temporary pay cuts as part of survival strategies.

In the foregoing, Chinese employers in the East Africa region were called upon to constitute a forum for lobbying & advocacy on issues of common business interest and join to Apex Employer Organizations in their respective countries of operation in order to protect and promote their rights & interests.

For more information on Industrial Relations, please email fkehq@fke-kenya.org or Moses Omboka on mombokh@fke-kenya.org

Rethinking Business Contribution to the UN and the Multilateral System

BUSINESS



BUSINESSAfrica-Employers Confederation congratulates the International Organization of Employers (IOE) on its centenary year.

During the IOE summit held on 2nd September 2020, speakers voiced strong support for social dialogue as a means of addressing industrial relations matters worldwide. There were also calls for governments to adopt an institutional framework for social partners and the business community to participate in multilateral decision-making organs.

“This is the time for the UN, Governments and Employers to work together to ensure that the pandemic does not become a Humanitarian Catastrophe,” said Mr. Erol Kiresepi, President of The International Organizations of Employers (IOE).

In determining the path for the future of business action at the United Nations and the entire multilateral system, these were the emerging issues:

- The commitment by employers to continue engaging in Social dialogue and tripartism with governments and workers which is gradually becoming an accepted way of conducting business in the World of Work.
- The rationale and business case for the employer’s commitment to the International Labour Organization has to be renewed.
- The role and influence of employers within the United Nations system is important in influencing policy and improving relations between the business community and the UN.
- Policy makers must not assume the informal sector and must make the environment attractive for the informal sector to get into the mainstream formal business operations.

Leaders from different employer and business organisations joined the UN Secretary General António Guterres to examine why the multilateral system is important for business,

discuss the challenges from business’ view that the UN needs to improve its action on, and how Employers can support the UN – in New York and Geneva and at the country level. “The SDGs cannot succeed without the full engagement of the private sector. To build a better future, we need a global multilateral system that answers the real anxieties of people with practical responses,” said Mr. Guterres

The Secretary General BUSINESSAfrica, Mrs. Jacqueline Mugo led African employers in participating in the forum. This unique summit was very important in furthering the calls to bring the Global Voice of the Employers to the United Nations and the entire multilateral system.

Find more about this discussion on these links

<https://www.un.org/sg/en/content/sg/statement/2020-09-02/secretary-generals-remarks-the-international-organisation-of-employers-%28ioe%29-centenary-summit-how-private-and-public-sector-cooperation-can-help-drive-transformational>

‘This is the time for the UN, Governments and Employers to work together to ensure that the pandemic does not become a Humanitarian Catastrophe,’

Changing Workplace Ethics and Culture



The Federation has launched a Masterclass Training on Workplace Ethics and Culture to help employers and employees navigate and create proper responses in this changing environment at the workplace occasioned by the Pandemic.

This is premised on the fact that in the long run the changes and disruptions caused by Covid-19 pandemic have an adverse impact on those who do not appropriately respond to it. The main goal of this masterclass is to promote ethical behaviour and culture that drives performance at the workplace.

The module sought to build the capacity of delegates to identify the building blocks of a good value system in the reality of Covid-19, appreciate the evolving culture and how Covid-19 has impacted the

workplace and appreciate the role that leadership plays in building the desired organizational culture.

Emerging culture

In this phase everybody is learning because of the emerging culture, this requires a new mindset and a new orientation for all. The new workplace culture provided emphasis on experimentation and a state of continuous learning because we are not sure of the efficacy of what we are doing now.

We note that employers must create psychological safety net for their employees. Giving them an opportunity to communicate, air their views freely and appreciate their concerns. A new paradigm shift on what to do, how to reengineer business and employee relations

In the learnings, it appeared that culture is cascaded from the top therefore leaders must ask themselves what they are doing to set the stage for change in culture and ethics in this new environment.

They must put a deliberate effort to institute the desired culture with good value systems and ethics to sustain performance and productivity.

What must companies do in this changing workplace environment? Employers should resolve to address emerging challenges quickly, remain resilient, think of a strategy to get the business back to normal, re- imagine the possibilities and opportunities in the new normal and decide what reforms to take to sustain their enterprises and protect livelihoods.

This is the time to ACT! Improve our infrastructure, change our system and come up with strategies in managing the Pandemic. This calls for a change in our culture and ethics.

Thank you to all the participants. Register for the next module taking place on For more information, please contact fkehq@fke-kenya.org

FKE in the Media



Business Daily 31st August 2020

FKE observed that the crisis has caused untold human suffering and may be the worst financial crisis faced so far. So far, 604 member companies have declared redundancies and the situation may worsen.

A quarterly labourforce survey by the Kenya National Bureau of Statistics (KNBS) published in early June suggested that some 287,481 Kenyas lost their jobs in the first three months of the year...

Business Daily 31st August 2020

18 | August-September 31-6 | The Times

Business News

FKE establishes business network for persons living with disability

BY GOR OGUTU

KENYA Federation of Employers (FKE) has established the Kenya Business and Disability Network (KBDN) intended to become the single voice for businesses in Kenya owned persons living with disability as an engagement platform with other stakeholders, including government and workers.

With support from the ILO, companies and associates, the KBDN will push the business case for the inclusion of persons with disabilities into mainstream corporate plans and priorities and shift the dialogue from charity to social investment and to ensure that no one is left behind.

"FKE remains at the forefront in encouraging employers to support initiatives that make it possible for persons with disability access employment. In addition, FKE has continued to engage different stakeholders to support and build the capacity of employers on issues of disability," said Mrs. Jacqueline Mugo, Executive Director, and Federation of Kenya Employers while opening a virtual session on Promotion of Employability of People with Disability.

She noted that during and post the Covid-19 crisis and as businesses begin to rebuild, new ways of work are being developed and new industries are growing therefore Persons with Disabilities must be fully included to ensure that employers "build back better, into a better future".

"Employers are open to hiring persons with disabilities – but we may first need support because we may not know "how" and "where" to begin. We are therefore happy about the technical support that the National Council for Persons with Disabilities and the Innovation to Inclusion Project is providing by identifying qualified persons with disabilities and linking them with prospective employers," said Ms. Mugo.

"The cost of employing and making the workplace conducive for Persons with Disability is not quantified in Kenya.



FKE Executive Director Mrs. Jacqueline Mugo speaks during a virtual meeting on Employment of People with Disability on Wed 26th August 2020. FKE is establishing a Disability Network aspiring to be a single voice for businesses in Kenya on disability, showcasing business leadership in Kenya on the inclusion of persons with disabilities.

also makes good business sense to employ persons with disabilities. They represent a large, educated, skilled yet untapped labour pool. Employers were urged to tap into this critical pool. The business case for employing persons with disabilities included reduced employee turnover, increased industry tolerance and improvement in productivity.

Further, companies hiring people with disabilities often discover that they have a competitive advantage and access to new

employees to raise the level of awareness on disability and engage all employees in understanding the obvious physical barriers as well as attitudes, biases and misconceptions that may hinder employees with disabilities from thriving in the workplaces.

She also asked employers to keep up-to-date with current legislation, information and concerns on disability inclusion laws, and tax provisions in order to successfully promote the business case for hiring persons with

The Times, 1st September 2020

The Federation of Kenya Employers (FKE) notes that promotion of employability of Persons with Disability is a shared responsibility. In collaboration with the International Labour Organization (ILO), FKE is establishing the Kenya Business and Disability Network (KBDN) which will be a single voice for businesses in Kenya on disability vis-à-vis other stakeholders, including government and workers. This will also be a network for showcasing business leadership in Kenya on the inclusion of Persons with Disabilities and a space for sharing and learning about good practices for purposes of replication. With support from the ILO, companies and associates, the KBDN will push the business case for the inclusion of persons with disabilities into mainstream corporate plans and priorities and shift the dialogue from charity to social investment and to ensure that no one is left behind.

Over 1.7m Kenyans lose jobs as corona chokes ailing economy

Majority of those who fell out of the labour market were young people aged between 20 and 34 as KNBS data shows.

By Dominic Omondi

More than 1.7 million Kenyans lost their jobs within three months after the country recorded its first case of coronavirus, official data shows.

KNBS reported the first case of the virus in March and by mid of June, those affected had been reported jobs as crippling effects of the pandemic became apparent at what is turning out to be the country's worst economic crisis.

Data from the Kenya National Bureau of Statistics (KNBS) shows the number of unemployed Kenyans shot up by more than half to 4,627,384 between April and June. From 2,844,724 in the January-March period.

The situation could be dire considering some of those previously employed have given up on job-hunting efforts. They have been categorized as economically inactive.

The number of economically inactive Kenyans – which also includes sick people, students and retirees – increased by 1.2 million to 3,774,700, the data shows.

Majority of those who exited out of the labour market were young people aged between 20 and 34, about 604,187, which fell out of work. People aged 35 and above suffered a total of 1,023,197 job losses.

There fell the hardest by unemployment, according to the national statistics, are young people aged between 20 and 24, 681,616, indicating that every level, job-related jobs, have been lost under the weight of the stringent containment measures implemented by the government to contain spread of the disease.

At least 422,670 people, aged 25, 26 and 27, lost their jobs.

While reducing the Quarterly Labour Force Survey, a new survey that looks at labour participation after every three months.

"And those who are willing to work are those who writing application letters or visiting labour offices or contacting colleagues asking if they know of a job opening somewhere," Geoffrey Bwiza

KNBS noted that the spike in unemployment indicated the significant impact of the new arrival on both unemployment and underemployment.

The highest proportion of the unemployed was recorded in the age group 20-24 and 25-29, each registering over 20 per cent, the report says.

The same age groups also had the highest increase, of over 100 per cent each, in unemployment over the three-month reference period (April to June)," says KNBS in the survey released in Nairobi on Monday.

There were increases in the dramatic increase in the number of the working-age Kenyans who were active and actively seeking for work, a situation that has characterized this period as many employers were laid off.

The unemployment rate, measured based on the strict definition those looking for work, increased to 18.6 per cent in the second quarter of 2020, compared to 17.2 per cent recorded in the first quarter. It was also higher than the 17 per cent registered in the same quarter at 2019.

Another household survey by KNBS showed many Kenyans are struggling to pay rent or fuel bills on the table due to reduced incomes.

sh23b
Amount added to the FKE's fund between March and June.

sh844.4b
Value of loans being disbursed by FKE to its members by end of July as disclosed by the FKE's financial report.

1.8m
Estimated number of Kenyans said to be looking for jobs.

Experts have also warned the pandemic will also open a myriad of these crises on various fronts across the country.

According to the latest survey, there were 1,842,918 Kenyan workers, in those who were out of work but actively looking for employment. This was an increase of 95 per cent from 942,000 in the first quarter of 2020.

Devonson Bwiza, an economist, noted that as most bread winners lost jobs, some of the desperate – children, spouses or other relatives – may have been forced out of their homes in dependency as they hit the road looking for work as well.

For those people, they are willing to work but there are job ads being read those who are to work as those writing application letters or visiting labour offices or contacting colleagues asking if they know of a job opening somewhere, said Bwiza.

Kenya registered its first case of Covid-19 on March 15, forcing the country to institute strict containment measures to curb the disease's spread that started in Wuhan, China, in December last year.

To date, more 33,794 Kenyans have the virus. Another 572 Kenyans have succumbed to the disease, including 21.3 million infections have been detected which cover 10,000 deaths. The ILO, the most affected country, has been a casualty of six million with a death toll of 600,000.

Besides losing its jobs, President Uhuru Kenyatta directed all levels of social and political gatherings be prohibited.

Hotels and restaurants were only allowed to sell takeaway food, public night clubs and other entertainment venues were closed indefinitely as measures to curb the virus. In some countries were restricted.

An inner were grouped and a dash to clear out of the premises in the process including business hours.

Businesses most affected by the crisis include real estate, retail, construction, tourism and travel.

Federation of Kenya Employers (FKE) CEO Bernard Mugo said a study they carried out, with the help of the International Labour Organization in June, showed only 40 per cent of employers had some strategy going on.

"The new wave shows" Mugo, noting that they were through April would be to spend months with participating in work in June.

"The picture is not clear as we speak," she said, adding that during the annual general meeting of their members in July 20, 700,000 jobs had been lost.

"That is really more on membership who don't respond. And our objective is to see sort of members and lay-offs," she said.

Welcoming a New Member!

Hygrotech EA Limited

Hygrotech Sustainable Solutions was founded in 1984 with origins from Roode Lyon Company that dealt with vegetable seed and agricultural industries of South Africa. Hygrotech pioneered the development of F1 hybrids in the South African vegetable industry. It also introduced technologies such as the Seedling system and polystyrene stickers etc and distribution in both South Africa and East Africa

<http://www.hygrotech.co.ke/>

Standard Newspaper 1st September 2020,

The Federation provided a picture of the member companies that have declared redundancies to date. However, we noted that for the previous year 2019, 7000 employees were declared redundant and not 700,000 as quoted in the papers. This means that in the year 2020 the numbers will rise tremendously.

NTN News 3rd September 2020

In the feature on Life after Prison for ex-convicts, FKE brought to the light some of the issues employers face while trying to offer employment opportunities to ex-prisoners. The Federation proposed proper linkage between the court system and the world of work to ensure rehabilitation programs help ex-prisoners to re-integrate into the society. Find a recording of this on our FKE Youtube Channel or <https://youtu.be/zG2U0ZuaD8Q>



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