



REPUBLIC OF KENYA

**MINISTRY OF LABOUR AND SOCIAL PROTECTION
OFFICE OF THE CABINET SECRETARY**

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**CABINET SECRETARY
LABOUR AND SOCIAL PROTECTION**

DURING EMPLOYERS ANNUAL CONFERENCE

WEDNESDAY 18th NOVEMBER, 2020

Cabinet Secretary for ICT and Youth Mr Joe Mucheru

Secretary General, International Organization of Employers Mr Roberto Suarez

Secretary General COTU (K), Dr Francis Atwoli

FKE National President, Dr Habil OLAKA

Executive Director FKE, Mrs Jackline Mugo

Chief Executive Officer, Federation of Uganda Employers, Mr Douglas Opio

Vice Chancellor, Strathmore University, Prof Vincent Ogutu

Chief Executive Officer Digital Techno Brain Mr Anand Mohan Nagothu

Our Facilitator, Trevor Ombijah

Employers

Partners

The fourth estate

Ladies and Gentlemen

Good Morning

I take this opportunity to thank you all for finding time to attend this Employers Annual Virtual conference ,I know we would have loved to meet physically and feel the warm and togetherness, but because of the disruption that has been brought to our lives by Corona Virus, we have to adopt to the new normal in our operations. This conference provides us an opportunity for sharing our experience and engage in discussions under the theme “Building Resilient Enterprises, Creating Wealth and Jobs”. This conference will also be addressing topical and relevant thematic areas affecting enterprises, not only in Kenya, but globally, especially during this COVID-19 period

Every person that I meet believes I have Jobs to give, simply because I am the Cabinet Secretary in charge of Labour, I am therefore very happy to be addressing you, because you have all my jobs, you are the ones who creates jobs, my work and that of the government at large is to create enabling environment so that you can make more money and create more jobs.

Organization from time to time have to contend with Volatile, Unpredictable, Complex and Ambiguous (VUCA) Environment. VUCA environment generally destabilizes people, causes anxiety, sap motivation and frustrate career moves. It also consumes huge amounts of time and effort to fight, hence increasing the chances of people making bad decisions or even paralyzing decision-making processes.

VUCA environment also jeopardizes long-term projects, developments and innovations, it overwhelm individuals and organizations and take toll on internal culture beside making

constant retraining and reshaping a necessity. To overcome this kind of situation, it calls for business enterprise to reconsider the way the leadership and the business operates. COVID -19 has presented itself as one such environment this year and employers as the business leaders, therefore need to appreciate this more than anyone else in their own organizations and come up with deliberate measures to reengineer their business for them to remain afloat.

Ladies and Gentlemen,

The outbreak of the COVID-19 pandemic has threatened the way of life for a large number of people globally. Many businesses worldwide have encountered losses which has threatened their operations and solvency, especially among smaller enterprises. Similarly, millions of employers and employees are already suffering immediate losses in terms of income and employment. This pandemic has affected not only the health of the workers, but also the number of jobs available

The uncertainty caused by the Coronavirus disease in various sectors of the economy has led businesses owners to introduce measures geared towards ensuring their businesses remain afloat. These measures have included; delaying investment, purchase of goods and hiring of workers; salary cuts for employees; temporary layoffs; sending employees on indefinite unpaid leave; and declaring employees redundant.

Realising the seriousness of COVID-19 pandemic, the Kenya Government introduce a raft of measure to contain its spread, these measures included; the stay and work from home advice, cessation

of movements in and out of some high-risk areas, dust to down curfew, travel restrictions, temporary closure of restaurants and bars and; social distancing advice, wearing of masks and regular washing of hands. These measures have significantly contained the spread of the pandemic, but have also led to unintended outcome of job loss in the Kenya Labour Market especially in some of the Key sectors of our economy.

Ladies and Gentlemen,

In Kenya the **private sector** which employs about **2 million** Kenyans has been significantly affected by COVID-19 and has witnessed a large number of worker being sent home on unpaid leave for a number of months. This is especially common in the manufacturing sub-sector which accounts for **15.9 %** of formal employment, Agriculture **sector (14.4%)**; Tourism, hotel and accommodation **(13 %)** and; Education **(11.1%)** all of which have registered significant Job losses.

In the informal sector which is Kenya's largest employer we have witnessed Job losses especially in economic sectors such as ;Wholesale and Retail Trade, Hotels and Restaurants which employs **59.9 percent** of employees; small scale manufacturing **(20.2%)** community ,social and personal care services **(9.7 %)** which includes saloons and barber shops; and the transport sector **(3.1%)**.

Therefore to answer the question how COVID-19 has affected our job market, I can safely say that Covid-19 has had tremendous negative effect on employment, today close 1.7 million employees have lost their livelihood both in the formal and informal sectors.

To mitigate the effects of the pandemic in the labour and employment sector in Kenya, the Ministry of Labour and Social Protection has implemented a number of initiatives these include;

Establishment of a Tripartite Rapid Response Team in April 2020 that come up with initiatives to safeguard the interest of workers and employers in the country. One of the initiative implemented was the signing of a Memorandum, of Understanding (MoU) with the social partners which laid emphasis on social dialogue and tripartite consultation, voluntary negotiation, review and variation of employment contracts, workplace safety and health, provision of PPEs and data collection for impact assessment

Ladies and gentlemen,

Looking beyond the Covid-19 pandemic, the Ministry has drawn a recovery plan which includes; establishment of an Unemployment Relief Fund to cushion workers who lose their jobs, we are going to be conducting an impact assessment on the effect of COVID-19 pandemic on Migrant Workers and Review of various legislation touching of employment and social protection.

My ministry prepares quarterly Job opportunity reports, whose aim is to give a picture of the occupations that are in high demand, the skills that are in high demand, the economic sectors that are growing and new and emerging occupations in the Kenya Labour Market. This information is important to various players in our Labour market, such as student, parents guardians, training institutions, policy makers just but to mention a few. My ministry would really

appreciate the support of employers in availing data on any vacancy that you declare so that it becomes easy to collect this information.

Evidence from other jurisdictions have shown that by reducing waste, organizations are in a position to improve their productivity by upto 35 percent, it is therefore my hope that you will make use of productivity and competitiveness center in my ministry to guide you in identifying various waste in our processes and through productivity improvement practices, create more value in your organization by employing simple productivity improvement tools like the **5S** (sort ,set, shine , standardise , sustain ,) **KAIZEN** (continuous improvement) and the **PDCA** quality improvement cycle (Plan Do Check Action) .

As the COVID-19 pandemic continues to evolve, there has never been a more pressing need for businesses to rethink and reconfigure their businesses, in a changing world. It is evidently time for businesses to focus their efforts in supporting key areas of business that will enable them to stabilize in the new environment and develop strategies for the next takeoff. This therefore calls for business to more creative and innovative. To survive the situation that business sometimes find themselves in, we need to counter volatility with vision, meet uncertainty with understanding; react to complexity with clarity and fight ambiguity with agility.

On the question of what the government can do to support enterprises to recover and become more productive and resilient in the emerging new normal following disruptions caused by COVID-19

Let me start by reiterate what I have said there before that, the role of government is to create an enabling environment-meaning that our aim as government is to make sure that we create an environment that is attractive to start and sustain business so that private entrepreneurs can thrive and create jobs. The government earlier this year announced an economic recovery stimulus package ,in this package, the government committed to Enhance SMSs Liquidity by fast-tracking VAT Refunds owed to business, Payment of pending bills, providing seed capital to SMEs through credit guarantee scheme, other interventions included supporting manufacturing through purchase of locally manufactured products, temporary support to floriculture and horticultural producers to access international market, subsidising of farm inputs, grants to hotels to support renovations, a mong others.

To create enabling environment to create jobs, the government also has been heavily investing in provision of affordable and regular electricity which drives production, support training of skilled workforce, improvement of infrastructure to make it easy and quicker to transport goods, conducive Taxation regime, easing of licencing requirement by reducing the number of licences required to start a business, others measures include increased internet connectivity, predictable interest rate regime, reliable and efficient legal system, adequate security and protection of local industries from undue foreign competition. All these aim at creating an environment where employers create more jobs for our Kenyan People.

Ladies and Gentlemen

It is important to build frameworks that support Organizational Resilience and help Businesses bounce back from external shocks such as Covid-19. For this reason, businesses need to adapt to changes as fast as they happen and ensure their preparedness for future pandemics or crisis's to ensure business continuity.

In conclusion I have no doubt that the recommendations/solutions you will propose at the end of this conference, will go a long way in making individual enterprises/businesses more resilient, adaptive, and competitive, so as to navigate the global economy out of the unprecedented effects of the COVID-19 pandemic.

It is now my honour to declare this Employers annual Conference 2020 officially opened.

Thank you and May God bless you all

