



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

REMARKS BY CABINET SECRETARY

SIMON K CHELUGUI, EGH

**DURING THE 7TH ANNUAL HR CONGRESS
HELD AT SAROVA WHITESANDS, MOMBASA**

18TH JUNE 2021

Chief Administrative Secretary Jackson Kalla
IHRM National Chairman, Mr. Joseph Onyango, MBS;
IHRM Council Members Present;
IHRM Executive Director CHRP Quresha Abdullahi;
Distinguished Delegates Ladies and Gentlemen;

Good Afternoon.

It is my pleasure to join you this afternoon as the 7th Annual HR Congress comes to a close.

Based on the feedback I have received, I am confident that the insights shared by the various speakers who have come before you since Wednesday will be of great impact as you execute your mandate in your various capacities across all sectors of the economy.

This year's HR Congress comes at a time when the nations of the world are undergoing transformational change in the wake of the COVID-19 pandemic, which have brought to the fore future of work.

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 that has threatened their operations and solvency, especially among smaller enterprises; this is our current reality as HR professionals.

This year's congressional theme "**The game has changed, are you ready?**" is not only thought provoking, timely and relevant to the prevailing situation, but is also well aligned to the Mission of the Ministry

of Labour and Social Protection, which is to Promote Decent Work and Protection of vulnerable groups in the society. ***What have done as a HR professional to show that you are ready to embrace the Decent work agenda and Protection of vulnerable groups in the society.***

As HR professionals, you are expected to promote Equal employment opportunities, ensure a working environment free of any form of discrimination be it age, race, ethnicity, religion, region, disability or any other form of identity.

You are also expected to nurture an environment that is supportive of Social Dialogue; and which encourages consultation; discussion and conflict resolution, as a means of resolving workplace differences; and also ensure that all employees work, in an environment free of all risks and hazards, which may impair the workers' performance, and diminish their capacities to enjoy their work, and the life there after.

Ladies and Gentlemen,

Effective Human Resource Planning, Development and Utilization is critical in creating a globally competitive workforce for the country as envisioned in Kenya's vision 2030.

For this to be actualized, the role of HR professionals cannot be overemphasized since Human Resource is the most important factor of production, to convert other resources such as money, machines, technical know-how and materials into finished products and services. The manner in which HR is managed affords organizations the competitive advantage.

During the COVID-19 pandemic many organizations have had to make difficult decisions in the last 15 months. I am aware that most HR professionals found themselves at the center of the crisis trying to balance between the interest of business and that of labour.

Some of your organizations adopted retreating strategies such as job cuts, salary cuts, unpaid leaves, revision of contracts of service, closure of work places, which led to general reduction in productivity. While other rose to the occasion and come up with new strategies, displayed great **resilience and agility** through temporary adjustments in their business through diversification of product and service range. This has seen their organization match on in spite of covid-19 pandemic.

One major concern that most HR professional have had to deal with has been the **difficulty** of implementing existing contractual obligations.

Contracts entered by parties, have been either temporarily or permanently rendered impossible to perform, and more often, parties have had to review and revise existing contracts, or enter into new contracts altogether with a view to accommodate dictates of the current times.

As HR professional, am aware that one area of great challenge that you must contend with is employees demands for a salary increment. As a government, our responsibility is to bring harmony in the labour sector, and one of the ways in which the government has responded in trying to bring predictability in the labour sector is to encourage structured negotiation between workers and employers.

I want to encourage HR professionals to embrace a culture of **Mutual Bargaining**, cognizant of realities of the current situation; founded on research and open discussions; and one that seeks a Win-Win for both parties; and always guided by the spirit of give and take. The aim of this strategy is to try to manage the cost of labour in our country so that our labour can remain competitive.

To effectively manage the cost of labour in our labour market, the government is now rethinking the annual increment of the minimum wage, and is proposing a shift in the remuneration and wages policy.

One consideration that the government is working on, is the determination of wage increments based on labour productivity and ministry through the National Productivity and Competitiveness Center, together with SRC is working of productivity measurement that once completed will be rolled out starting with the public sector.

This is a HR issue and HR professional's voice will be needed on the matter.

For the HR professionals in the public sector, yesterday the government through SC issued a guideline, on review of remuneration and benefit in the third review cycle.

Due to the existing economic challenges, and as an effort to manage the wage bill, there will not be a review of salaries for the next two financial years. I call upon the HR professional to be at the fore front , and explain the reasoning behind this guideline to the workers to fore store any industrial action.

Ladies and gentlemen,

Kenya's labour market is characterized by a mixture of both formal and informal sectors. According to Kenya National Bureau of Statistics (KNBS) Economic survey 2020, There are **18.1 million** employees in the Kenya labour market, out of which **15.05 Million** accounting for **83%** are in the informal sector of which **5.3 Million (35.4%)** are found within the urban areas while **9.7 Million (65%)** are found in the rural area. Only **3.05 million** workers are in the formal (17 %).

This clearly shows that we need to focus more on the informal sector for us to grow as an economy. Clearly, ***“The game has changed, are you ready?”*** What is the HR professional contribution to dealing with this?

The Ministry of Labour and Social protection under the Department of National Human Resource Planning and Development normally undertake **Quarterly Job Opportunity Analysis (JOA)** and annual **Survey of Training in Local Training Institutions (STLI)**.

Analysis from the available reports shows that majority of the vacancies declared by most organizations, required employees with qualifications which most women do not meet.

A look at programmes being offered by all categories of training institutions showed that males had higher outturns (graduates) in Architecture and Building, Engineering and Engineering Trades; Transport and Computing

While females had higher outturns in catering, tailoring, clothing, Personal Services (beauty and therapy), Nursing, Journalism and teaching. Meaning that female still train in the so call **traditional female**.

My Ministry is keen on promoting diversity and inclusion at the workplace by offering equal opportunity to persons who are abled differently. To achieve this however requires the innovation of HR professionals. It is the responsibility of HR professional to ensure there is **Equal Opportunity for All in employment** and at all Levels by putting in place proper work place policies.

Ladies and gentlemen,

As we move to a new dispensation, the Future of Work, demands that organization will require employees with multiple skills, who are versatile and are resilient. This place extra responsibility on HR professional to match skills being supplied to organizations with organization's demand. Some will need reskilling and other reorienting.

Whilst we appreciate that skills can be acquired formally and informally, employees who have not gone through formal training lack recognition of the skills acquired outside of formal training institutions. It is for this reason that the government has now started the program of **recognition of prior learning through National Industrial Training Authority**. This strategy is expected to offer opportunity to majority of workers who have acquired wide work based experience, an opportunity to transfer their skills to other potential employers should need arise. Let HR professionals embrace emerging trends by incorporating such recognition parameters in their Human Resource policy documents.

Ladies and Gentlemen,

In deed the Game has Changed, and our experience in the last 15 months has given us a new resolve and greater determination to change they we do things as Government. To which, I wish to bring to your

attention that as government we have given priority attention the issue of welfare of workers. The ministry has prioritized the establishment of

Occupational Disease Fund. This fund is expected to protect workers directly affected through death and disability caused by occupational diseases including Covid-19 pandemic. And

Unemployment Insurance Fund to cushion workers who lose their employment as a direct result of either a medical crisis escalating to a pandemic or any other contributory factor leading to unplanned massive loss of jobs.

Ladies and Gentlemen,

As I conclude, allow me to congratulate you for hosting such a successful Congress and it is my sincere hope, that you have had insightful deliberations and an enriching interaction and you are ready to go back to your workplaces, ready to take on change. Finally, therefore, I now wish to declare the 7th Annual HR Congress Officially Closed.

Thank you very much for your Attention and may God bless you All.