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ACT/EMP



FEDERATION OF
KENYA EMPLOYERS

The Voice of Employers



The Next Normal: The Changing Workplace in Kenya

The Federation of
Kenyan Employers





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*We have included throughout this report quotes from companies that either responded to the survey or in the interviews we conducted. In order to maintain confidentiality, we have not included the names of these companies.

PREFACE

The effects of the Covid-19 pandemic on the world of work have been dramatic. Despite these challenging circumstances, enterprises in Kenya have taken a wide range of steps to adapt to this dynamic environment. They have changed everything from the characteristics of their working space to their human resource strategies, and throughout it all have demonstrated great resilience and adaptability.

The disruptions brought about by the pandemic considerably affected work, workers and workplaces in Kenya. While the pandemic stifled the business activities of many enterprises, it also propelled other employers to adopt strategies and modifications for business continuity and productive and stable employment relations.

This report details some of the emerging changes in the workplace in Kenya. The report has been carried out jointly by the Bureau for Employers Activities (ACT/EMP) of the International Labour Organization (ILO) and the Federation of Kenya Employers (FKE). The report is structured around the following questions:

1. How has Covid-19 changed workplaces in Kenya and how have enterprises responded to that?
2. How do enterprises think post-COVID workplaces will look different in the next five to seven years and how are enterprises preparing for this?
3. What are the expectations on the role of FKE in terms of membership and services and how will FKE need to adapt to these changing realities as representatives of business?
4. What will be the policy approaches to create the enabling environment for this changing workplace and how can FKE position itself as a leader in these debates?

The report makes clear that the dramatic disruptions to labour markets over the last two years will have significant policy and legislative implications. Going forward this report will support FKE in its policy engagement with workers' organizations and government.

The dramatic changes brought about by the Covid-19 pandemic have also forced employer and business membership organizations to rethink the services they offer to member enterprises. We feel that the findings from this report will greatly help FKE in adapting and recalibrating our service and training offer for our members.

Finally, we are indebted to the FKE membership for providing inputs into this report.

Jacqueline Mugo,
Executive Director,
Federation of Kenya Employers



A young woman with long, dark braids is smiling warmly while wearing large, silver headphones. She is seated at a wooden desk, typing on a laptop. The background shows a bookshelf filled with books, suggesting a library or study environment. A large blue triangle with a white arrow pointing right is overlaid on the left side of the image.

Executive Summary



Executive Summary

The Covid-19 pandemic has had dramatic implications on the world of work in Kenya. For enterprises, the pandemic has been characterized by almost unparalleled disruption, forcing them to adapt to new circumstances almost overnight. Enterprises have had to alter their operations and production processes, human resource strategies, work modalities and many other aspects of their enterprises. This report explores the pandemic-era experiences of Kenyan enterprises in four key areas: (1) the working space; (2) workplace relations; (3) skills development, knowledge sharing and productivity; and (4) human resources.

The pandemic changed the working space dramatically, though perhaps no single change is as important as the shift of working space from the office to home. In Kenya, an average of 29 per cent of employees worked remotely during the pandemic. Employers rolled out the use of new digital tools such as video conferencing services to facilitate communications of all types for their newly-remote workers. The shift to remote work often entailed new costs, and the majority of businesses – some 63 per cent – paid for specific items that their remote workers needed. Many enterprises opted for a hybrid approach to work, with both remote and in-person work. For the businesses that did not fully implement remote work, the most common reason cited was that they required a part of their workforce to be physically present for operations, such as a production process. This was cited by nearly half of enterprises.

Regardless of the work modality, many enterprises made changes to their physical premises because of the pandemic, with the establishment of health and safety features being the most common. Hand washing and sanitation stations were adopted by over 99 per cent of enterprises while temperature checkpoints were used at about 95 per cent of enterprises. Despite all of the changes and disruptions, nearly half of enterprises noted that the modifications they made to their working space during the pandemic had a positive impact on production efficiency. In the coming years, many enterprises – about half of the ones we surveyed – expect to continue a hybrid approach to work. Enterprises noted that hybrid workplaces can save costs on office space while still allowing human interaction. Others are eager to have the human touch back, given that many enterprises require hands-on operations for everything from operating machinery to customer service to in-person sales meetings. About a third of enterprises said they would be mostly-in person

but with changes while one in six said they would return to operating in-person, like before the pandemic. Less than one per cent of enterprises in Kenya planned to become fully remote.

The pandemic has been a time of both opportunities and challenges for workplace relations. A notable share of enterprises – about 40 per cent – noted that workplace relations had improved during the pandemic, much higher than the 11 per cent that said they had worsened. Many enterprises said that the pandemic helped build trust and understanding between workers and employers. Dialogue about workplace health and safety was common, held at 95 per cent enterprises. The majority of enterprises said that continuity planning, digital investments, workforce flexibility and workplace dialogue had all become more important during the pandemic. Some businesses thought that employer and business membership organizations became more important during the pandemic, while only one in eight thought the same about trade unions.

The skills needs and skills development tools of employers have also changed rapidly during the COVID era. Digital skills were the most important single skill set cited by enterprises as being important for their future success. Employers generally also stated that soft skills such as creativity and communication are amongst the most important to the future success of their business. Teamwork and collaborative skills were also commonly cited as being important, as were multitasking abilities/flexibility. Few employers view networking and language skills as vital in the years to come. The change in skills and knowledge sharing has been a major factor pushing enterprises to rethink productivity. The vast majority of enterprises said that the virus made them rethink how they should measure the productivity of their workforce, with nearly 80 per cent saying they would focus on outputs as their key measure of productivity moving forward. More traditional measures such as the time spent in the office may be falling out of favor. Very few enterprises noted that they were closely monitoring the number of hours that employees spent working.

Lastly, the Covid-19 pandemic has been a major challenge for human resources. Now more than ever, enterprises understand that the mental and emotional well-being of workers is closely intertwined with the successful operations of the business. Many enterprises – about two in three – reported engaging in regular communication



to keep employees informed and connected. On the flip side, almost no enterprises established a right-to-disconnect policy which codifies the right of employees to go offline on nights and weekends. The pandemic has also pushed some enterprises to consider who can be a member of their workforce. As enterprises increasingly shift

to hybrid and remote work, their potential labor force is no longer constrained by geography. About 18 per cent enterprises noted that their hiring criteria now include new groups of workers who were not previously considered - such as fully remote employees not living near the business.



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Introduction

The Covid-19 pandemic has brought the most significant changes in generations to the world of work. At its core, the pandemic has fundamentally changed where and how people work. Enterprises around the world had to make big structural changes, with many adopting digital tools and new technologies – often for the first time. The adoption of these new modes of working and new technologies have sent shock waves across the world of work, upending many long-standing norms and practices. Enterprises are questioning fundamental assumptions about their operations, such as whether they still need physical premises and how they measure what workers do. Workers are also rethinking key assumptions about work. This will drive long-term changes in the types of work being done, how work is performed, and what skills are required to do that work. The changes to the world of work will be complex, overlapping and significant.

Enterprises have described the Covid-19 pandemic as a roller coaster: a devastating time of extreme difficulties and challenges but also one of occasional hope and opportunity. For many, it has been a time of loss and uncertainty, which requires regular adaptation, unlearning old ways of doing things and adopting new ones. Companies have been forced to rethink many aspects of their business, from human resources to sales channels to their production portfolios. Enterprises have seen resizing, subcontracting, branch closures, halted projects and reduced investments. Workers have experienced forced retrenchment, compensation changes, and remote working. This report explores the pandemic-era experiences of Kenyan enterprises in four key areas: (1) the working space; (2) workplace relations; (3) skills development, knowledge sharing and productivity; and (4) human resources.



Approach

To better understand the effects of Covid-19 and the future plans of enterprises, the Federation of Kenyan Employers (FKE) commissioned a survey of 125 registered enterprises in Kenya. The survey took place between June 10th and July 5th, 2021, and was completed using the online platform Qualtrics. The survey covered a wide cross-section of enterprises in many sectors, with 24 per cent of respondents from industry, 70 per cent from services and 6 per cent from agriculture. Information was gathered from directors or senior managers. The majority of enterprises (58 per cent) were from Nairobi, followed by 11 per cent from Mombasa, 5 per cent from Nakuru, 4 per cent from Kisumu, and 22 per cent from the rest of Kenya. Some 28 per cent of participants were either partially or wholly foreign owned, while two in five of the participants were involved in either imports or exports. Sixteen per cent of respondents were from women-run enterprises.

Because this survey was implemented by FKE, the vast majority of respondents were formal enterprises, which tend to have a much larger average number of employees when compared to all enterprises. As such, the majority of

respondents (90 out of 125, or 72 per cent) were large enterprises. Just 8 per cent (10 out of 125) were medium enterprises, while the remaining 20 per cent (25 out of 125) were micro and small enterprises. For this report, we use the official Kenyan definitions of business sizes, which are as follows: Micro enterprises – less than 10 employees; Small enterprises – 10 to 49 employees; Medium enterprises – 50 to 99 employees; Large enterprises – 100 or more employees.



“The enterprises that participated in this survey collectively employed more than 51,000 workers in Kenya”



Figure 1. Number of Surveyed Enterprises, by Sector and Size

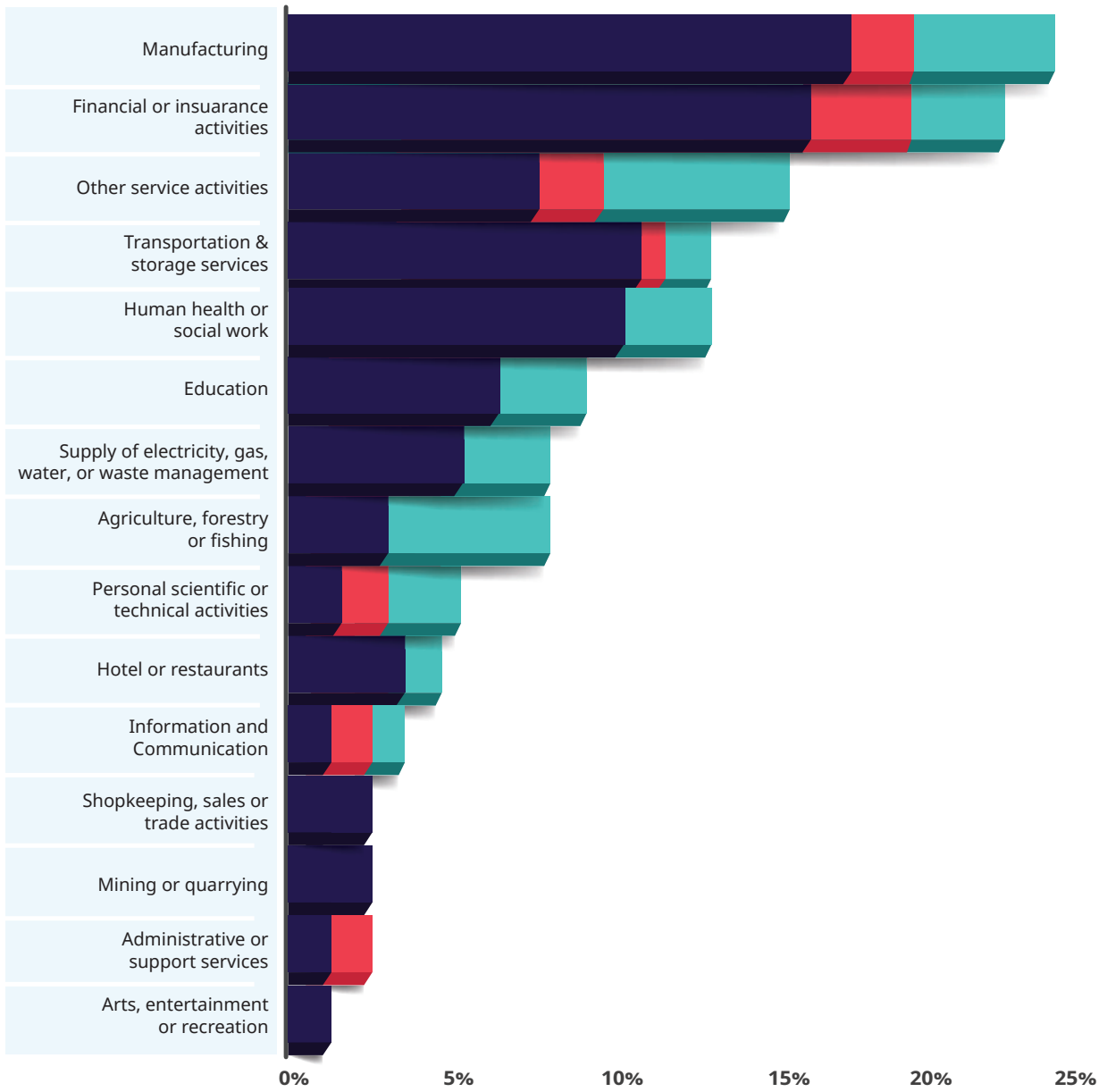


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The Working Space

The Covid-19 pandemic has brought about dramatic changes in the physical workspace. When asked how to briefly describe these changes, enterprises in Kenya came back with a wide diversity of responses. One of the most common themes was “flexibility”, a concept cited not just in Kenya but across Africa. “Productivity” was another commonly theme. A third common theme was around technology, with enterprises citing a wide range of words such as: virtual; automation; technology; innovation; digital and

even “Zoom”. Some enterprises chose words that reflected the magnitude of change, using terms like “significantly” or “moderately”. However, the magnitude of change for other enterprises was much different, with some saying “none” or “null” when asked about the biggest change to their working space. If there is one take-away from the voices of enterprises, it is that the effects of the pandemic on the working space of enterprises has been diverse.

Figure 2. Most commonly cited words describing how the Covid-19 pandemic changed the physical and/or remote working space.



Nowhere is this change in physical working space more evident than it is for newly remote workers, whose physical workspace is no longer the employer’s facility, but now the worker’s home. In Kenya, an average of 29 per cent of employees worked remotely during the pandemic. While a significant share of the workforce, this figure does show that the majority of employees were not able to work remotely during the pandemic. While 29 per cent of all employees worked remotely, this was not evenly distributed amongst all groups of employees. Instead, some groups were

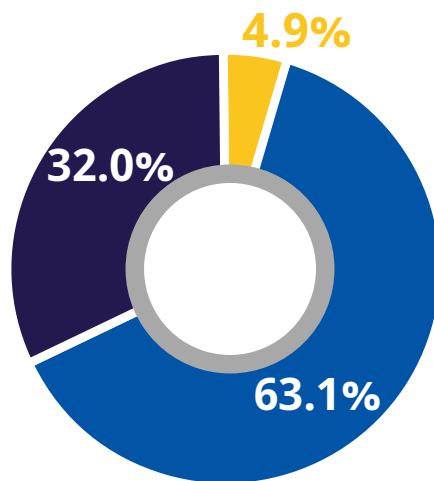
more likely to be working remotely, while others were much less likely. Notably, a high number of enterprises (58 per cent) said that workers with greater health risks were more likely to work remotely. This was followed by enterprises who said managers (42 per cent) and back-office employees (36 per cent) were also more likely to work from home. Other characteristics were less likely to affect where employees worked. For example, only 26 per cent of enterprises said that workers with higher education were more likely to work from home.



Figure 3. Share of enterprises who said a group of employees was more likely to work remotely



Figure 4. Did the business pay for any of the costs incurred by employees who worked remotely



Legend:

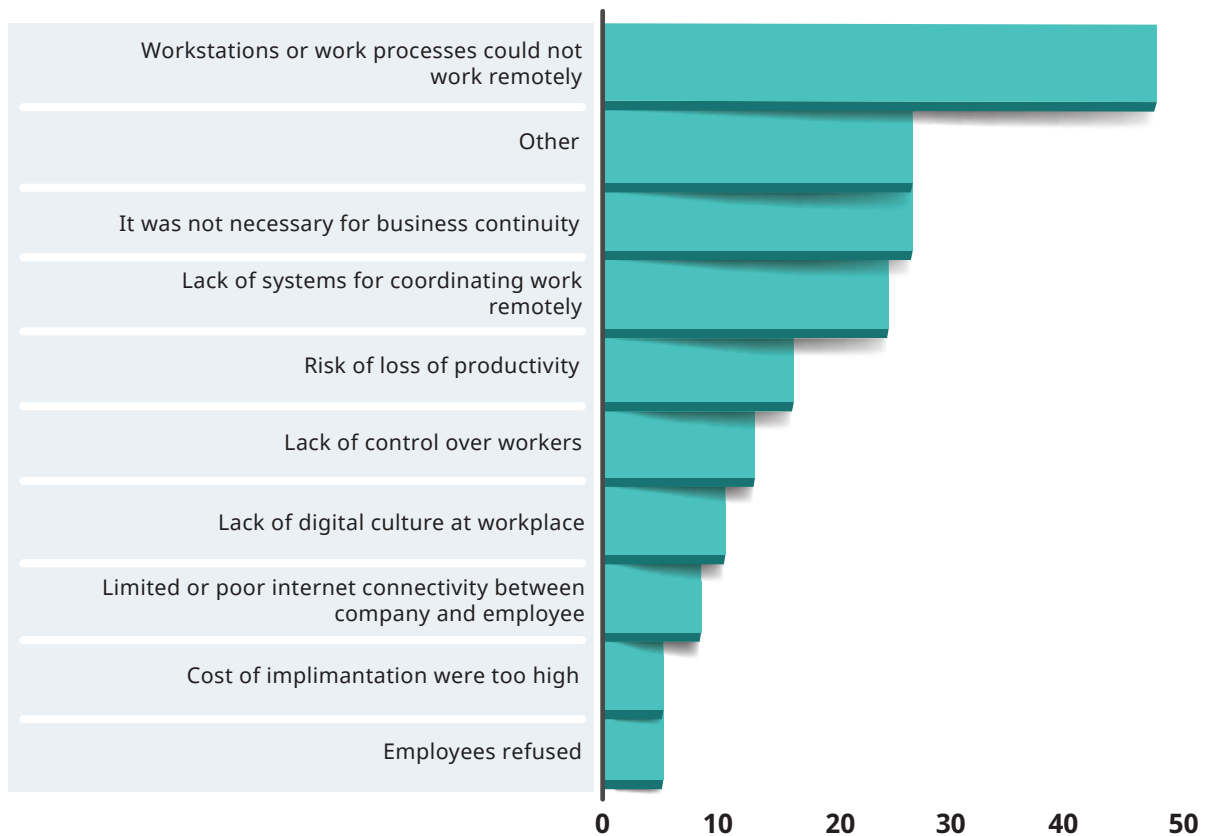
- The business paid a lump sum to offset cost for remote employees
- The business paid specific items, (eg computers, internet connection, printer, etc)
- The business did not pay any costs associated with remote work

Note: Percentages apply only to those enterprises that had at least one employee working remotely

The shift to remote work created new costs for both employers and employees, and as the survey found, many enterprises supported the costs of both. Just over 63 per cent of enterprises said that they paid for specific items that employees needed to work remotely, such as computers or internet connections. However, other enterprises

left it to employees to cover these costs, with 32 per cent of enterprises reporting that they did not cover any of these costs. Only a small share of enterprises – 5 per cent – provided employees with a lump sum payment to be used towards the costs of remote work.

Figure 5. Reasons why enterprises did not implement remote work



Though many enterprises in Kenya adopted remote work some of the time or for some employees, only 2 per cent of responding enterprises said they were fully remote. For the vast majority of enterprises, operations continued with a mix of in-person and remote work modalities. This choice, as well as the choice to remain fully in person, was often driven by necessity but also sometimes driven by other considerations. Of the enterprises that did not fully move to remote work, nearly half – 48 per cent – said this was because work stations or processes could not be adapted to run remotely. Just over one in four – 27 per cent – said that it was not necessary for business continuity or cited other reasons. On the flip side, only 2 per cent of enterprises did not implement remote work because employees refused, while only 6 per

cent indicated that they did not implement remote work because the costs were too high.

In order to facilitate in-person and hybrid work in the pandemic era, many enterprises had to make changes to their physical premises. Some steps were nearly universal. Over 99 per cent of enterprises said they establishing hand washing/sanitation stations while nearly 95 per cent of enterprises establishing temperature check points and other screening mechanisms. 82 per cent of enterprises provided personal protective equipment to employees and/or customers, a high level in comparison to elsewhere in Africa. At the lower end, just under half of enterprises rearranged a customer space because of the pandemic.



Figure 6. Which of the following changes have you made to your business premises because of the pandemic?

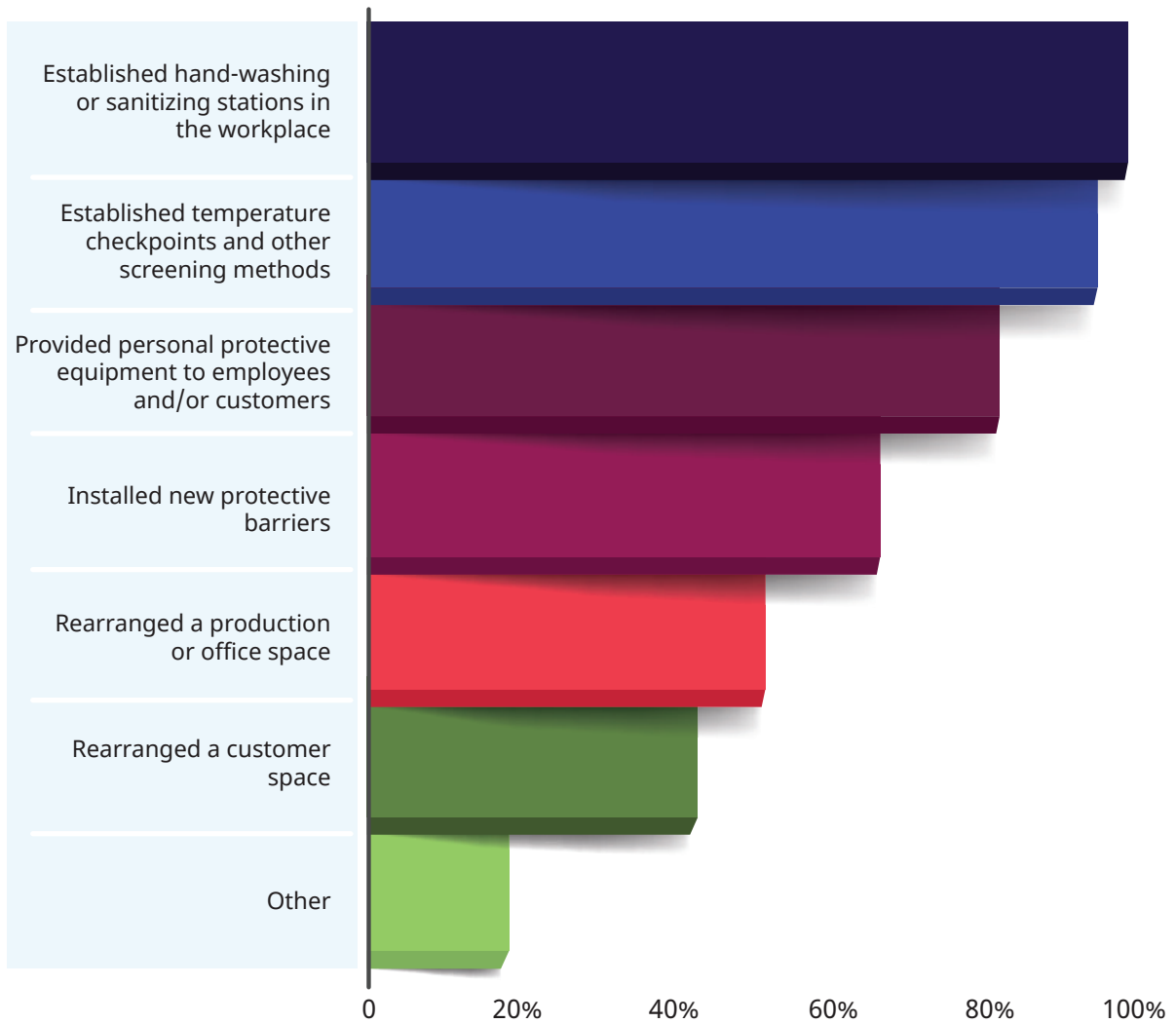
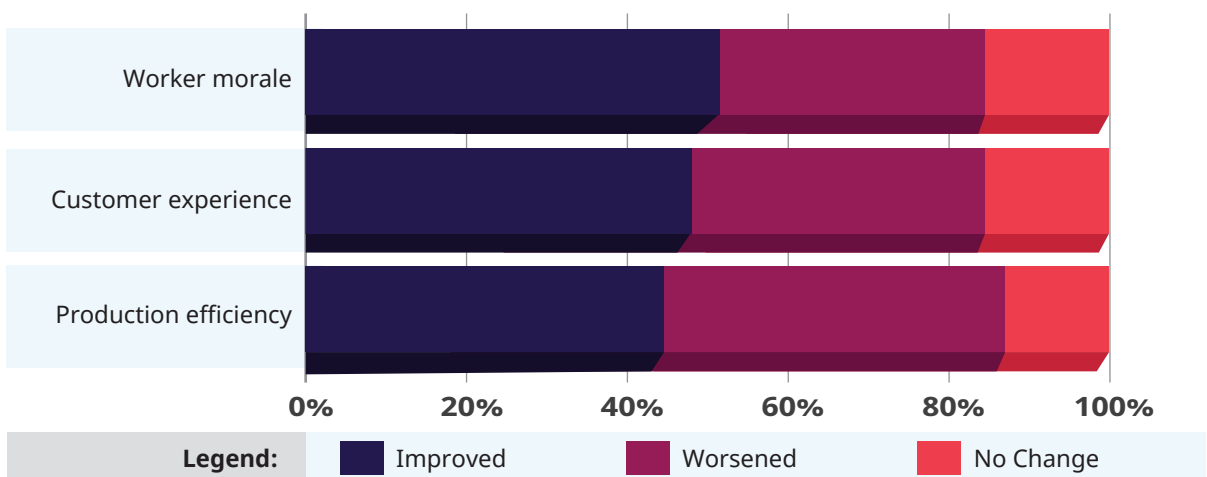


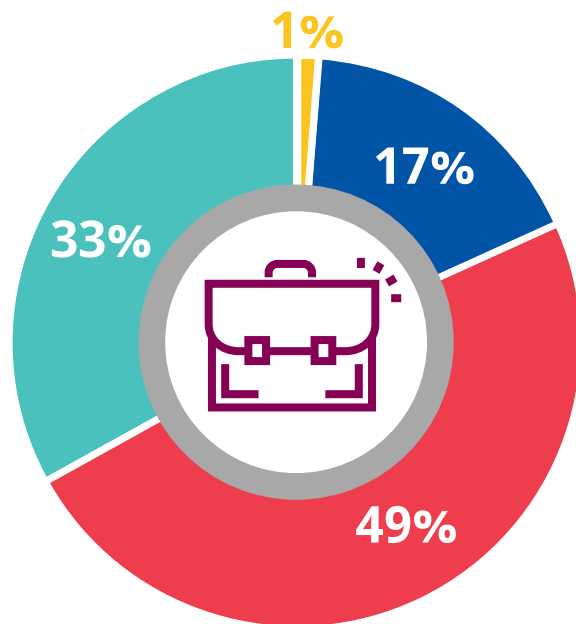
Figure 7. How have the changes you made to the business premises affected each of the following?



The pandemic resulted in a wide range of changes to the way enterprises operate, yet many of them were able to turn these challenges into opportunities to improve their business. More than half of the enterprises we surveyed said that changes to their premises contributed to improvements in worker morale. Just fifteen percent said they had the

opposite effect. Nearly 50 per cent of enterprises also said that pandemic-induced changes to the workplace contributed to improvements in production efficiency and customer experience. Again, the share of enterprises reporting that workplace changes had made these worse was comparatively small.

Figure 8. Which of the following best describes your business model in the coming years?



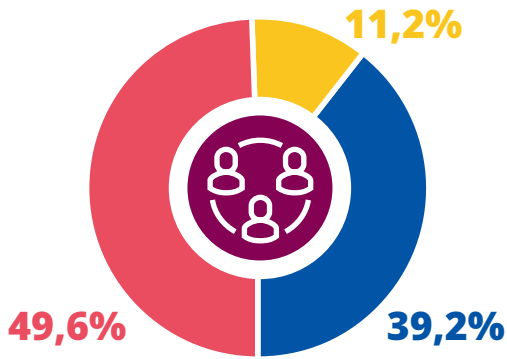
Legend:	■ A mostly in-person business, but with some changes
Note: Percentages apply only to those enterprises that had atleast one employee working remotely	■ A hybrid workplace with some remote and some in-person work
	■ An in-person business, like before the pandemic
	■ A wholly or mostly remote workplace

Workplace Relations

The Covid-19 pandemic has both been a challenge for workplace relations but also provided opportunities for it to grow, with potential long-term benefits. Despite the immense strains placed on employers and employees during the pandemic, our survey found that nearly four in ten enterprises (39 per cent) said that relations between senior management and employees improved during the pandemic. This was notably higher than the 11 per cent of enterprises that said that workplace relations had worsened during this same time period. Half of enterprises said that the pandemic did not change the quality of workplace relations.



Figure 9. How has the Covid-19 pandemic changed workplace relations?



Legend:

- Improved
- No change
- Worsened

During the pandemic, employers and employees engaged in workplace dialogue on a wide range of issues. Unsurprisingly, workplace health and safety was the most common, a near universal topic of dialogue covered at over 95 per cent of enterprises. Remote work was also a common topic of discussion, covered at 63 per cent of enterprises. Changes to collective agreements, or new collective agreements, were less common. Thirteen percent of enterprises noted that they negotiated a new agreement, while ten percent negotiated changes to an old agreement. Responses around collective bargaining may be relatively uncommon due to the fact that not all enterprises have collective bargaining agreements. Beyond workplace level dialogue, national-level dialogue was also an important ingredient in addressing the dynamic and devastating effects of the Covid-19 pandemic.

Figure 10. Dialogues or negotiations enterprises had with employees since the start of the pandemic

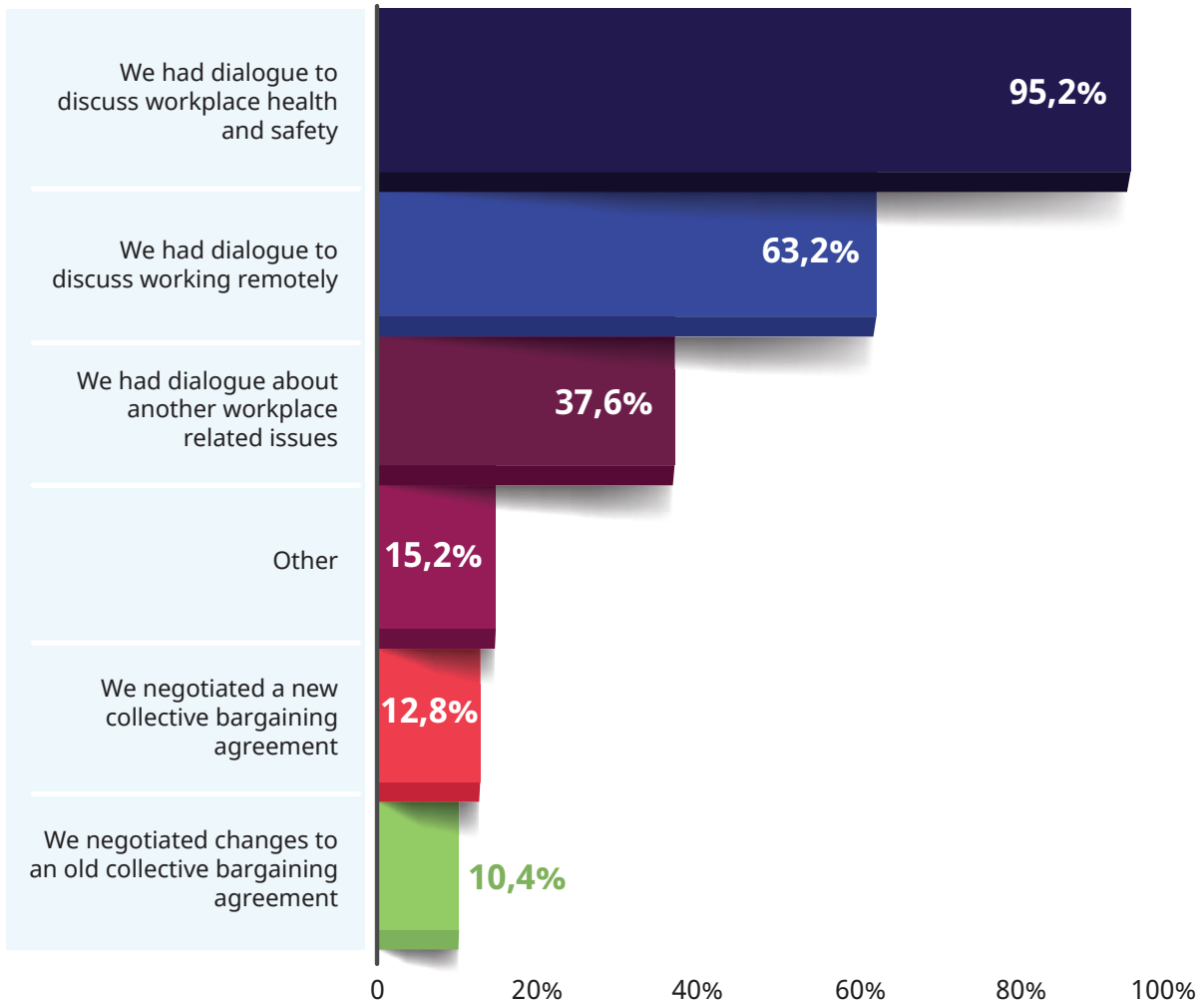
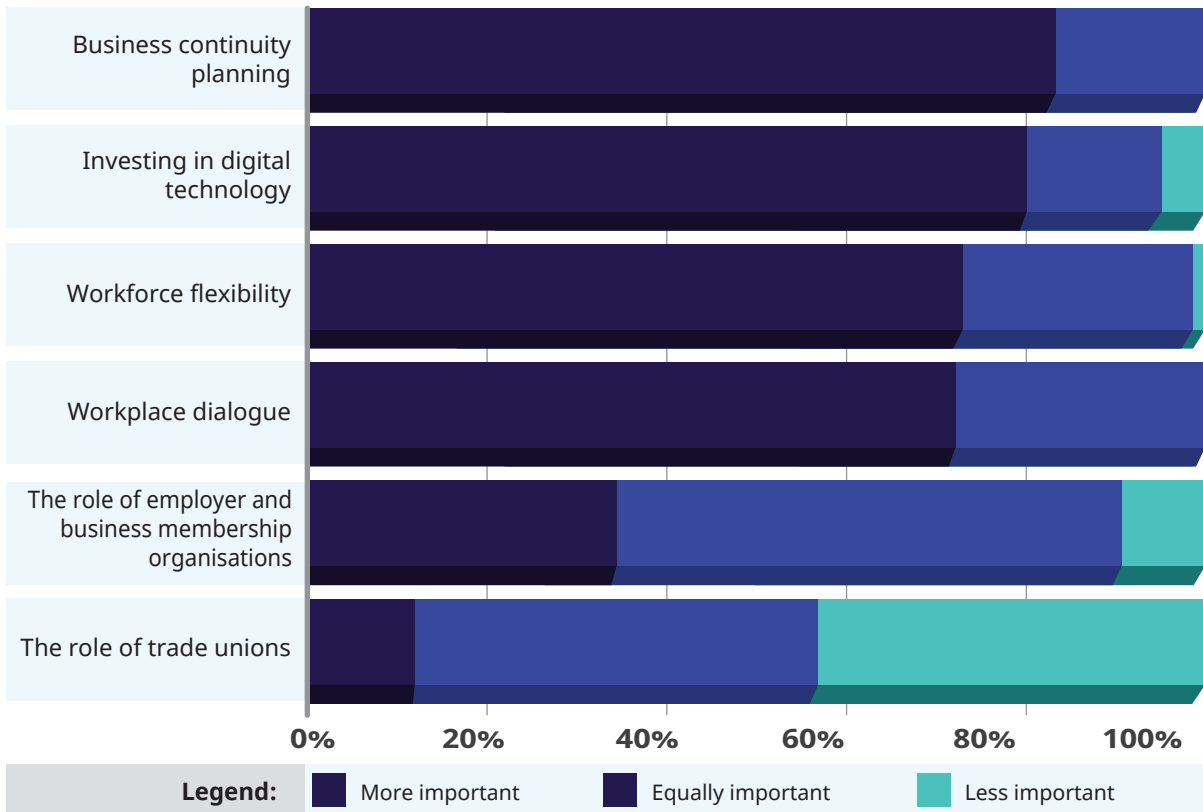
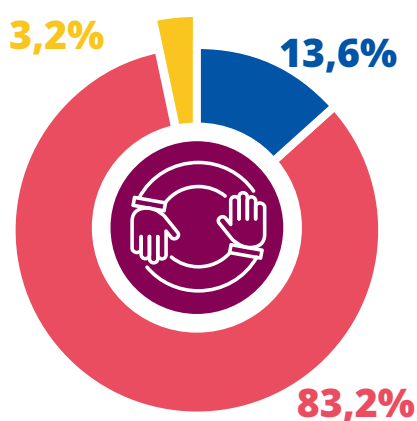


Figure 11. How has the pandemic changed the importance of the following work-related areas?



The pandemic has also changed the views of enterprises about a range of workplace-related activities and organizations. The most commonly cited workplace-related activities that enterprises said were more important because of the pandemic were business continuity planning, which 83 per cent of respondents said was more important, and workforce flexibility, cited by 80 per cent of enterprises as more important. On the other side, fewer enterprises said that business organizations and trade unions grew more important during the pandemic. While EBMOs were less likely to be cited as growing more important during the pandemic, more than one third of enterprises (34 per cent) still noted that their importance had increased, as compared with under 10 per cent that said their importance had decreased. More notable was the views of enterprises about trade unions. While 12 per cent of respondents said trade unions had grown in importance during the pandemic, 43 per cent said they were less important.

Figure 12. Has your business increased its use of external contractors since the pandemic started?



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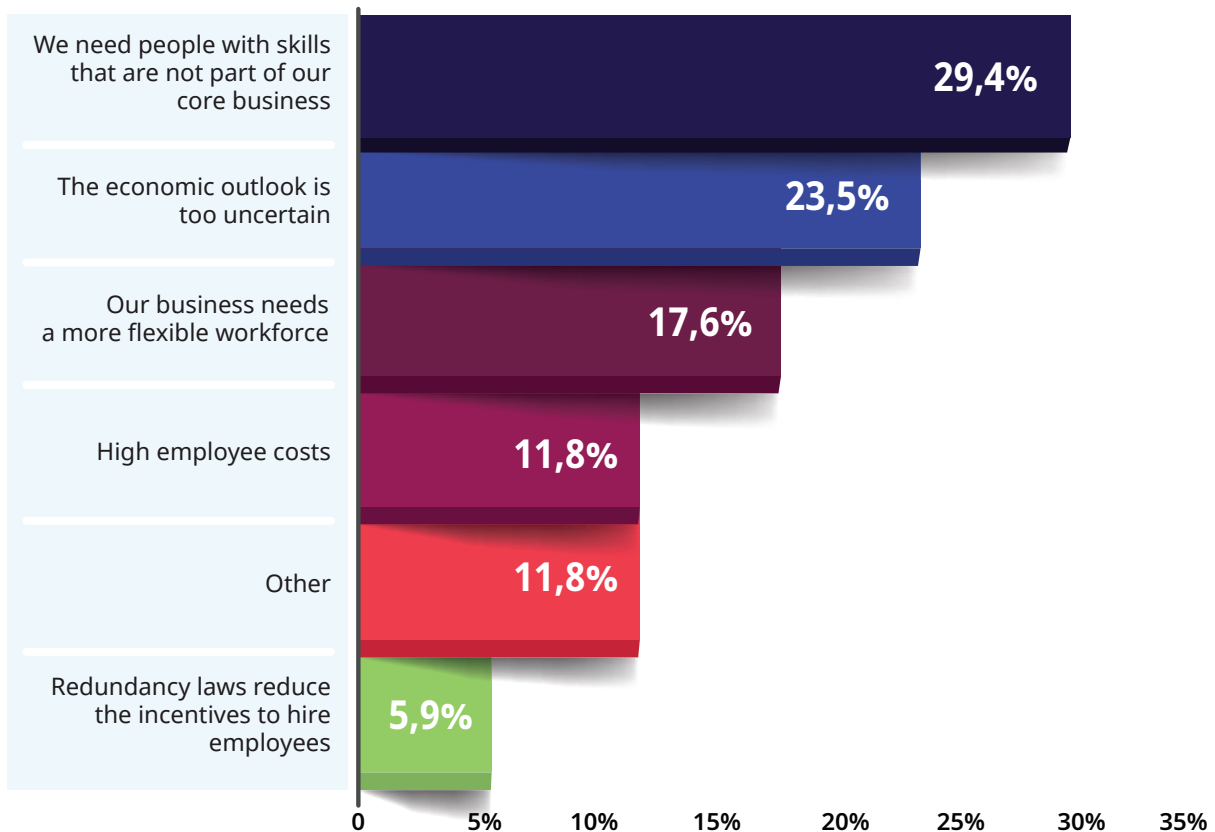
Yes No Don't know



Though many enterprises noted the need to have an increasingly flexible workforce, the vast majority – some 83 per cent – said that they had not increased their use of external contractors since the start of the pandemic. About one in seven enterprises – 14 per cent – noted that they had increased their use of external contractors.

For enterprises that did increase their use of external contractors (17 out of 125 respondents), the most oft-cited reason was that the business needed people with skills that were not part of their core business, cited by just under 30 per cent of enterprises, followed by the uncertain economic outlook, cited by 24 per cent of enterprises.

Figure 13. What is the most important reason that your business is expanding its use of non-employee (external) workers?



Some enterprises also made changes to compensation during the pandemic to manage costs, ensure business continuity and alleviate challenges with workplace relations. One of these approaches was the use of reduced hours contracts, which 12 per cent of enterprises reported utilizing more often during the pandemic. Only 6 per cent of enterprises reported using reduced hours contracts less during the pandemic. Most enterprises either did not change their use of reduced hours contracts or did not use them at all. On performance-based

pay, again most enterprises that completed the survey noted that there was either no change in this during the pandemic or that they did not use performance-based pay. However, 14 per cent of enterprises noted that they had increased their use of performance-based pay while 9 per cent noted that it had decreased. Lastly, average employee compensation remained mostly consistent, with 14 per cent of enterprises noting that it had decreased during the pandemic versus 10 per cent noting that it had increased.



Figure 14. How have the following aspects of your compensation practices changed since the Covid-19 pandemic

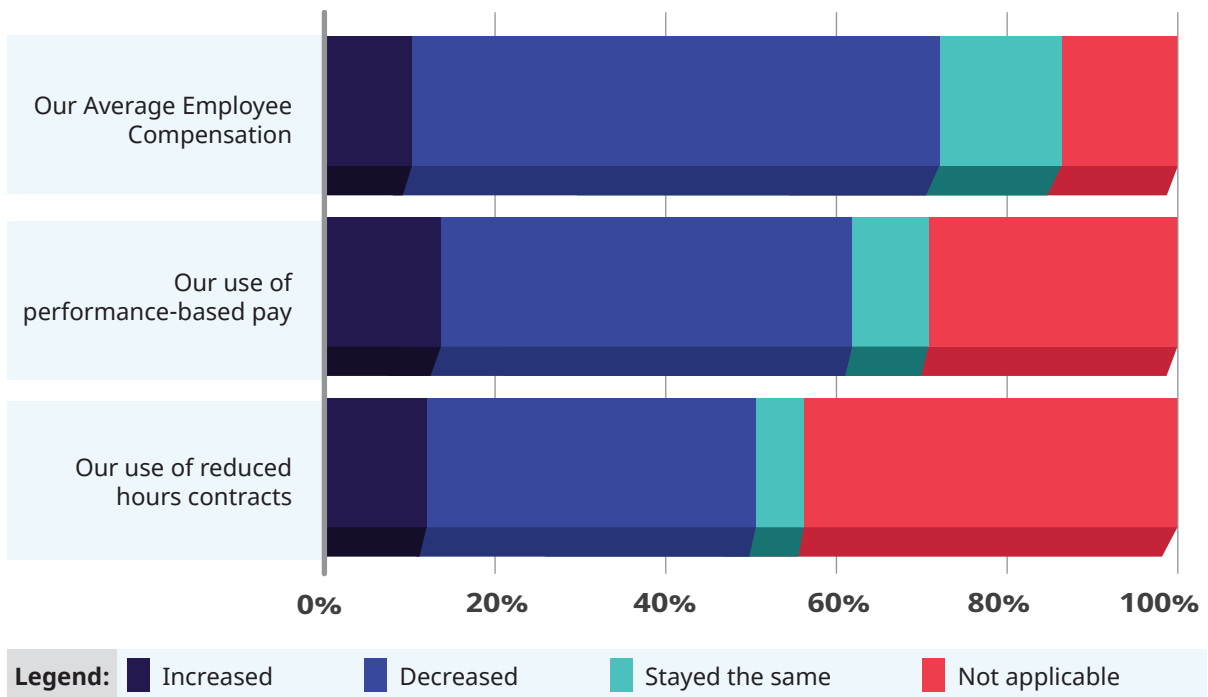


Photo Credit | Freepik



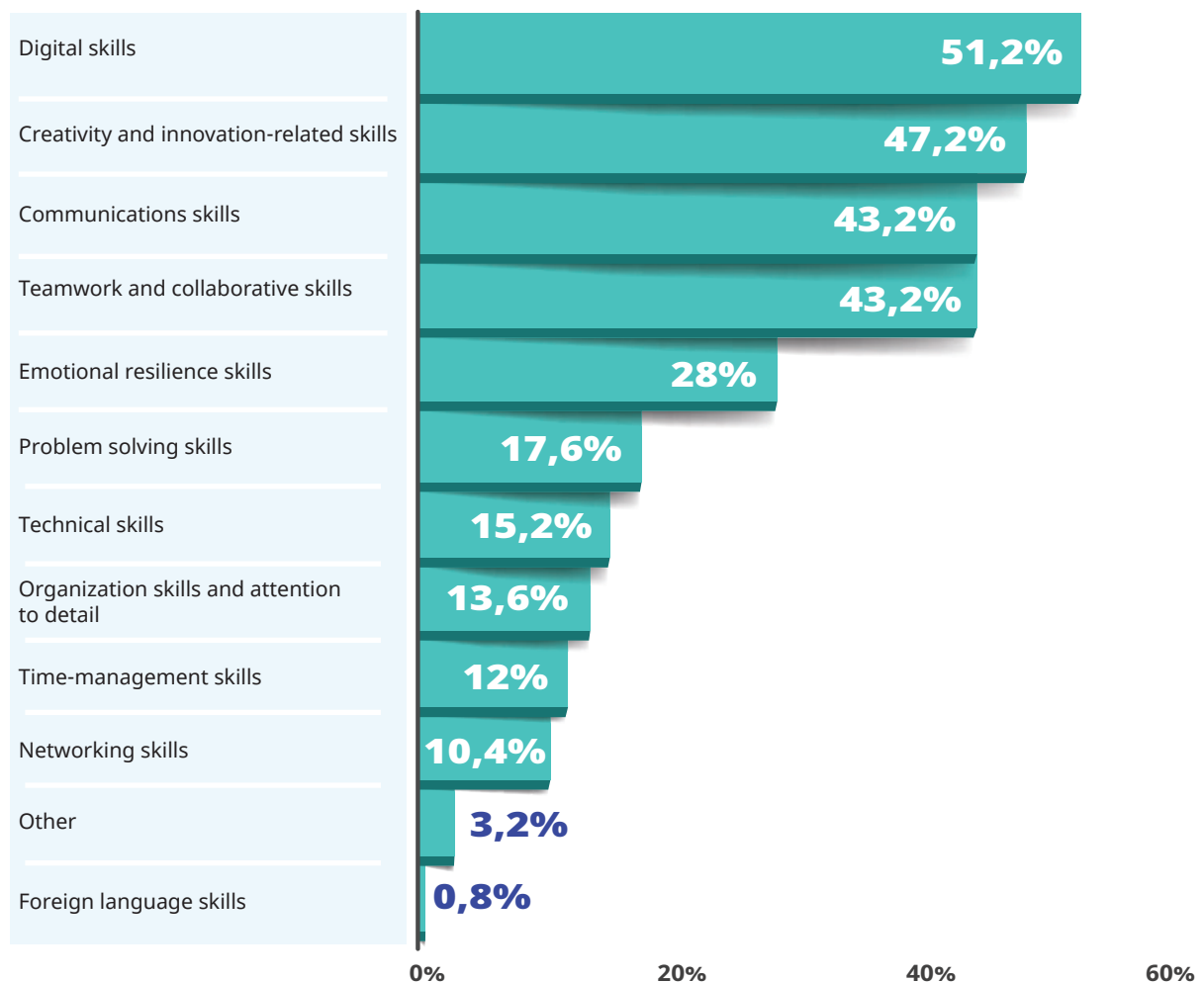


Skills Development, Knowledge Sharing, and Productivity

The Covid-19 pandemic has had a significant effect on skills that companies need to be successful, as well as on the way that those skills are developed and knowledge is shared within a business. The changing nature of skills and knowledge sharing has also had a significant effect on the productivity of enterprises. The skill sets that enterprises need to survive and thrive are being significantly reshaped by the pandemic.

Across surveyed companies, there was a clear need to approach business skills differently during and after the pandemic. Different skills would be needed, for example the ability to manage clients and develop business online has become more important in comparison to the more traditional, in-person forms of client management. In general, surveyed companies needed greater adaptability from employees.

Figure 15. Which of the following skill sets will be most important for the future success of your business?



The survey found that many of the important skills that enterprises needed moving forward were what are often referred to as “soft skills”. The most commonly cited skill set was digital skills, cited by 51 per cent of enterprises as one of the top three

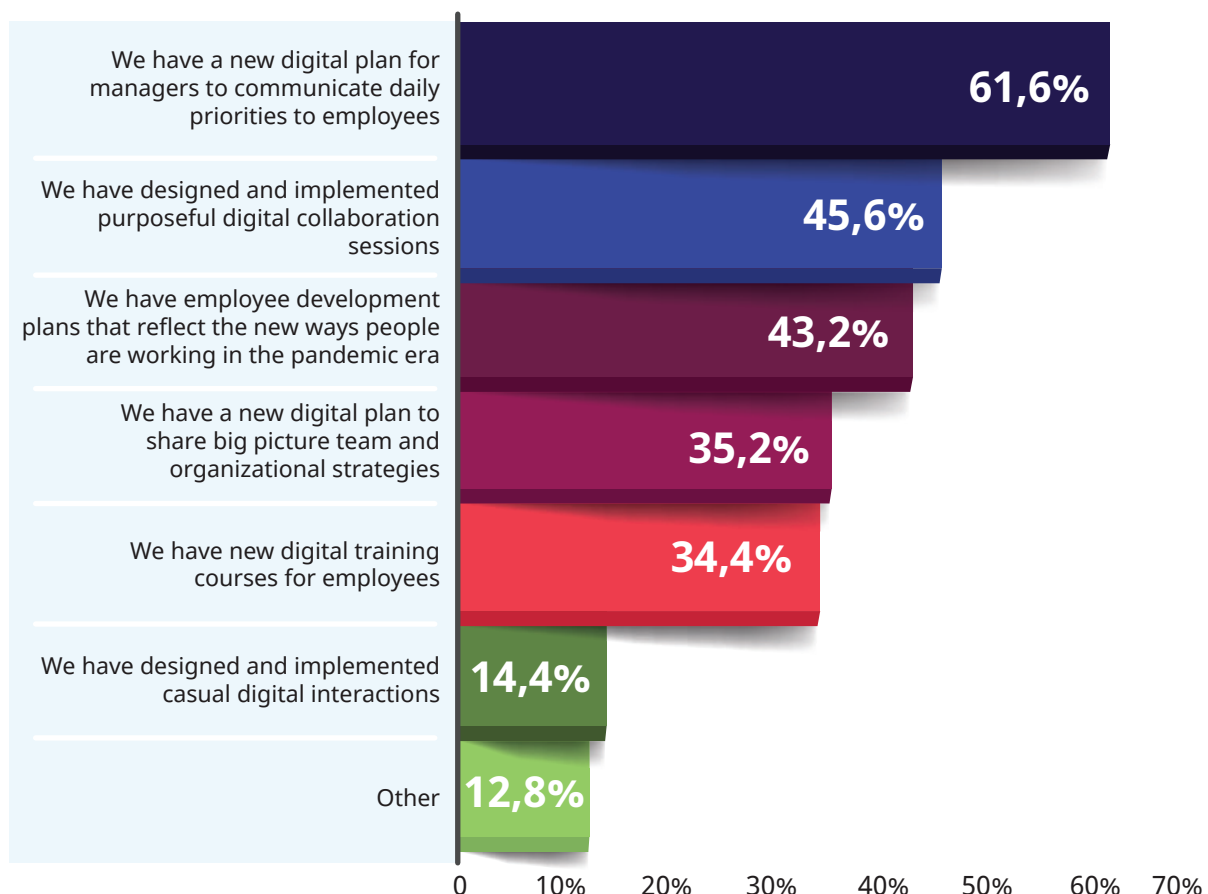
skills they needed in the future. This was followed closely by creativity and innovation-related skills (47 per cent). Communication skills and teamwork and collaborative skills were both cited as a top skill set by 43 per cent of enterprises. Emotional

resilience skills were also somewhat regularly cited, with 28 per cent of enterprises noting this as a top three skill set. On the other hand, very few enterprises (just 1 per cent) noted that foreign language skills would be one of the three most important skill sets moving forward. Networking and time management skills were also amongst the most rarely cited skill sets that enterprises needed moving forward.

Across the survey, however, there was a clear indication that looking ahead, technological and digital skills will be in high demand. Adaptability and the ability to multitask, so important during the pandemic, will also prove a sought-after skill in the future. Of course, the change in skills needs is not the same across all sectors. The pandemic had a different impact, skills wise, depending on the sector.

Enterprises have responded to the fast-moving context and the new skills demands by changing the way that they train employees, collaborate and share knowledge. Many enterprises – some 62 per cent – reported that they have put in place new digital training courses for employees. 57 per cent of surveyed business now have designed and implemented digital collaboration sessions for their employees. 43 per cent have employee development plans that reflect the new ways employees are deployed and work during the pandemic. However, comparatively few enterprises (just 13 per cent) have implemented casual digital interactions, which can be good forums for informal information exchange and collaboration. Enterprises in knowledge-intensive industries may benefit from expanding these types of interactions moving forward, while enterprises in other sectors may not benefit to the same degree.

Figure 16. How have you changed the ways in which you train, collaborate and share knowledge during the pandemic?



With the skills needs of enterprises changing quickly, many countries will struggle to ensure that their workers are properly trained with the right skills for the post-pandemic workplace. Funding this training and skills development can

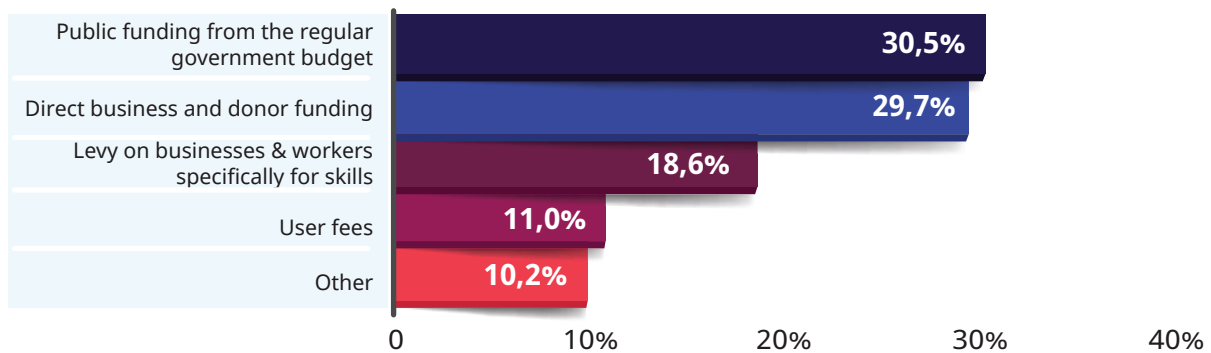
be a major challenge. While skills development can benefit workers, employers and governments, there is often disagreement about exactly how it will be paid for, a tricky question given the many beneficiaries. Nearly a third of enterprises (31 per



cent) supported a public funding model from the regular government budget as the primary model to fund skills development. Almost as many – 30 per cent – said direct business and donor funding

should cover skills development while another 19 per cent said it should come from a levy on businesses and workers. 11 per cent said it should come from user (participant) fees.

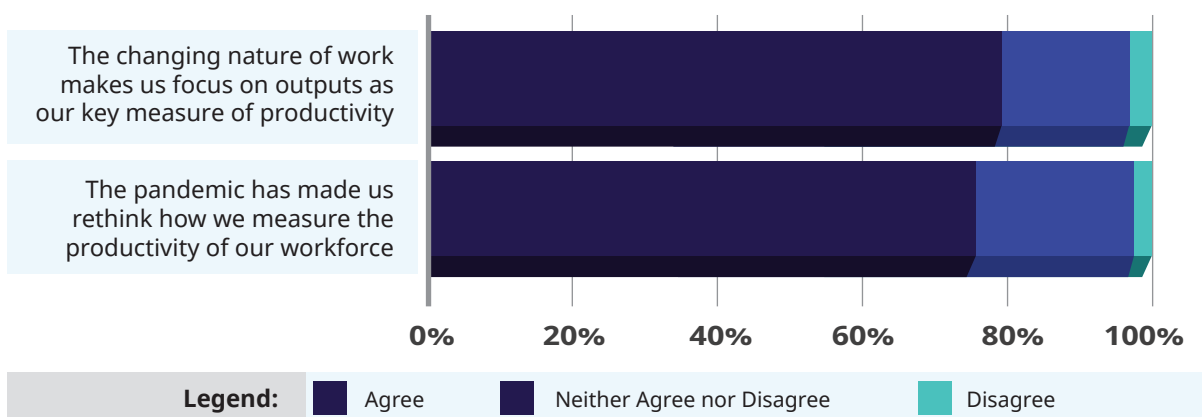
Figure 17. Which model for funding post-pandemic skills development is most suitable?



The change in skills and knowledge sharing has been a major factor pushing enterprises to rethink productivity. The mix of skills and knowledge needed to be productive has changed for many enterprises and workers. The survey shows that the pandemic has caused the vast majority of enterprises to rethink productivity. Over 75 per cent of enterprises revealed that the virus made them rethink how they measure the productivity

of their workforce. More traditional measures such as the time spent in the office may be falling out of favor. Nearly 80 per cent of enterprises said that they would focus on outputs as their key measure of productivity. This has major implications for the time-based employment relationship that has been the mainstay of many formal workplace for decades, if not longer.

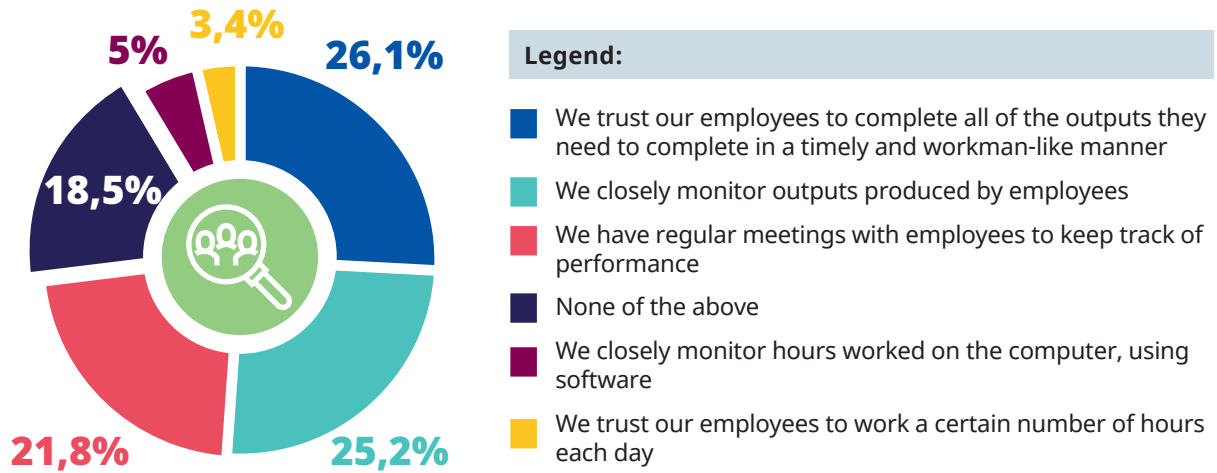
Figure 18. Do you agree or disagree with the following statements?



When asked how they monitor productivity of remote employees, the responses of enterprises showed a focus on output-based measurement. 26 per cent of enterprises said that they trust their employees to complete all outputs in a timely and workman-like manner, while 25 per cent said they “closely monitor outputs produced by employees” as the primary way to assess employee performance. Another common approach – used at 22 per cent of enterprises – was to conduct regular employee meetings to keep track of performance.



Figure 19. Which of the following statements best describes how you monitor the performance of remote employees during the pandemic?



Most notable, however, was the small number of enterprises that relied on time-based measures. Just five per cent said they trusted employees to work a certain number of hours while just 3 per cent monitored hours worked using software of other tools. Though many enterprises moved to hybrid or remote work, some still noted that they required the physical presence of their essential staff, a phenomenon which was particularly the case for enterprises in manufacturing.

Some organizations have found that there are technological or practical challenges to performance and performance monitoring, such

as unreliable internet or the lack of managers with experience overseeing remote workers. Data costs are another key challenge and moving forward, affordable and reliable connectivity will be very important. To address this, some enterprises have adopted a mixed approach and sourced information on performance from multiple sources. Enterprises have also digitalized systems that had a connection to skills and productivity. Online transactions such as mobile money and online banking were embraced while meetings were shifted to Zoom and Microsoft Teams. Such changes to digital modalities in cases had transformative effects across a whole sector.



Photo Credit | Freepik



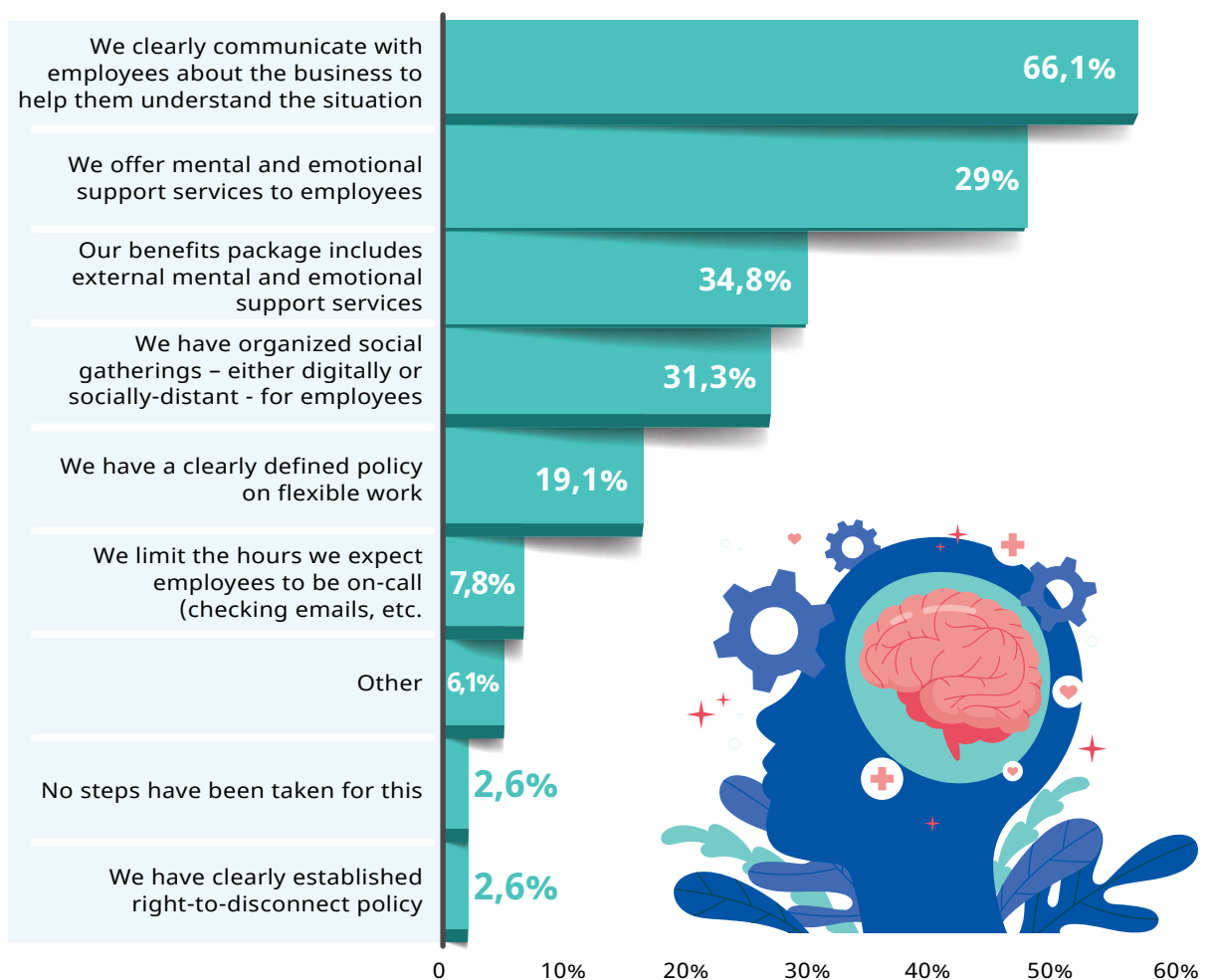


Human Resources

The Covid-19 pandemic has created a range of new opportunities and challenges for the human resources side of an enterprise. The individuals and departments managing human resources are faced with a dynamic environment, with changing external factors such as COVID-19 related restrictions compounded by changing internal factors such as the duty of care to employees and the operational needs of the enterprise. Employees are similarly feeling the strain of the pandemic, having to

deal with constantly changing conditions while balancing professional and personal obligations. Workers are also concerned because of the pandemic-related uncertainty surrounding both their personal and work lives. Some enterprises have reported distress amongst employees as they feared the uncertain. For enterprises, then, the mental and emotional well-being of workers has become even more closely intertwined with the successful operations of the business.

Figure 20. What steps have you taken to support the mental and emotional well-being of your employees, including those working both in-person and remotely?



Enterprises have taken a wide range of steps to support the mental and emotional well-being of employees during the pandemic. Regular communication to keep employees updated about the enterprises was the tool most commonly adopted, with 66 per cent of enterprises surveyed reporting that they had done this during the pandemic. Many enterprises – 56 per cent – also said that they offered mental and emotional support services to employees. This step has been taken by enterprises around the world to help address the mental health effects of isolated work. Enterprises also regularly had benefits packages that included external mental and emotional support services, and organized social gathers for employees to help support the mental and emotional wellbeing of employees. Notably, however, very few enterprises clearly established a right-to-disconnect policy which codifies the right of employees to go offline on nights and

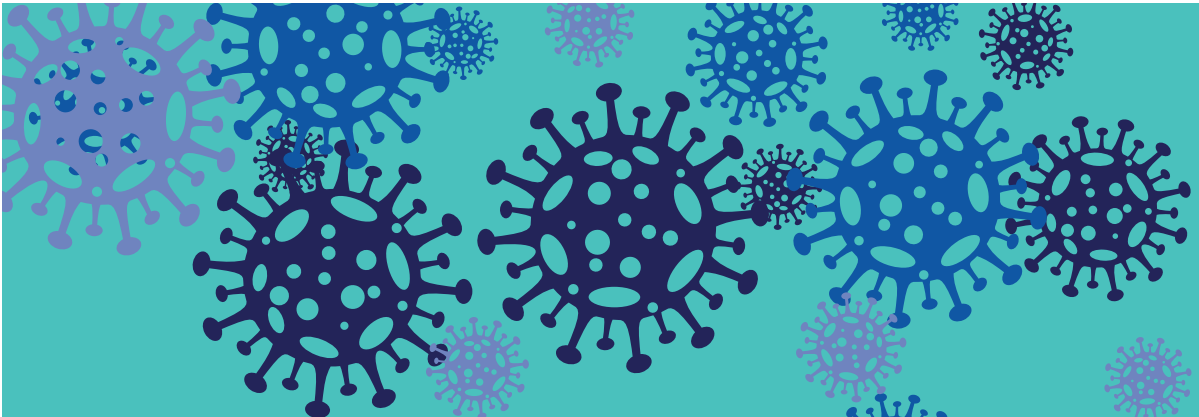
weekends, without any expectation that they would check emails or otherwise engage in work.

The pandemic forced many enterprises to rethink the size and shape of their workforce, with many enterprises noting that they expect to see changes to their workforce over the next three to five years.

When asked to describe that change in one word, the responses were similar to those about how workplaces will change. The most common response, by a large margin, was “digital” or a closely associated term such as “virtual” or “remote”. Another common response was that the workforce would be more “flexible” with respondents also citing similar words including “agile” and “adaptable”. Enterprises also regularly cited words including “resilient” and “tech-savvy” as well as a number of different words around the concept of productivity, including “efficiency”, “lean”, “leaner”, and “less productive”.

Figure 21. ONE word the describes describe the most significant way your workforce will change in the next 3 to 5 years, compared to how it looked before COVID.

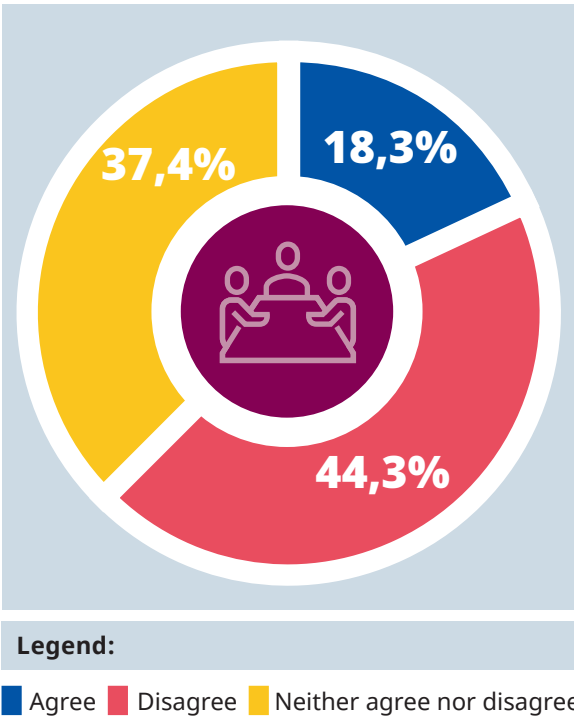
VIRTUAL AGILE ADAPTABLE
FLEXIBLE RESILIENT
DIGITAL
LEAN COLLABORATION
LEARNER ADAPTABLE CHALLENGING
REMOTE TECH-SAVVY



The shift to a more digital or remote workplace that some enterprises are undertaking may also have broader effects on the labor market, by allowing enterprises to hire groups of workers that they had not previously considered, such as remote workers not living near an enterprise. In Kenya about 18 per cent of enterprises noted that they had changed their hiring criteria to include new workers such as remote employees. However, 44 per cent noted that they had not made that change with another 37 per cent saying that they

neither agreed nor disagreed with the statement. This shows that the view of some enterprises about the office is evolving, from a location for full-time work to a part-time space for collaboration. This could have dramatic implications for policy, the economy, and lifestyles, affecting everything from real estate to where people chose to live. However, these changes will be muted by the fact that many businesses have not made this change and plan to continue operating with a significant in-person component to their business.

Figure 22. “Since the start of the pandemic, our business has changed its hiring criteria to include new groups of workers we had not previously considered – such as fully remote employees not living near your workplace”





Conclusion

The Covid-19 pandemic has caused major disruptions and changes for Kenyan workplaces, as the evidence from this report shows. Though much has already changed for enterprises, many questions remain about how enterprises will continue to change because of the pandemic. Many key questions about the future of work and workplaces are not yet fully clear. Will remote-workers find it easier or harder to bargain with their employer for pay rises and improvements in conditions? Will employers find it easier to fire remote workers than if they had to do it face-to-face – some initial evidence suggests they do. How will firms monitor contractual working time in a world where remote workers no longer physically clock in? Can firms monitor remote workers to assess their productivity? Should a business pay

for a worker’s internet connection? Who is liable if employees injure themselves at home? Can remote workers live in another country and what would the tax implications of such an arrangement be here in Kenya?

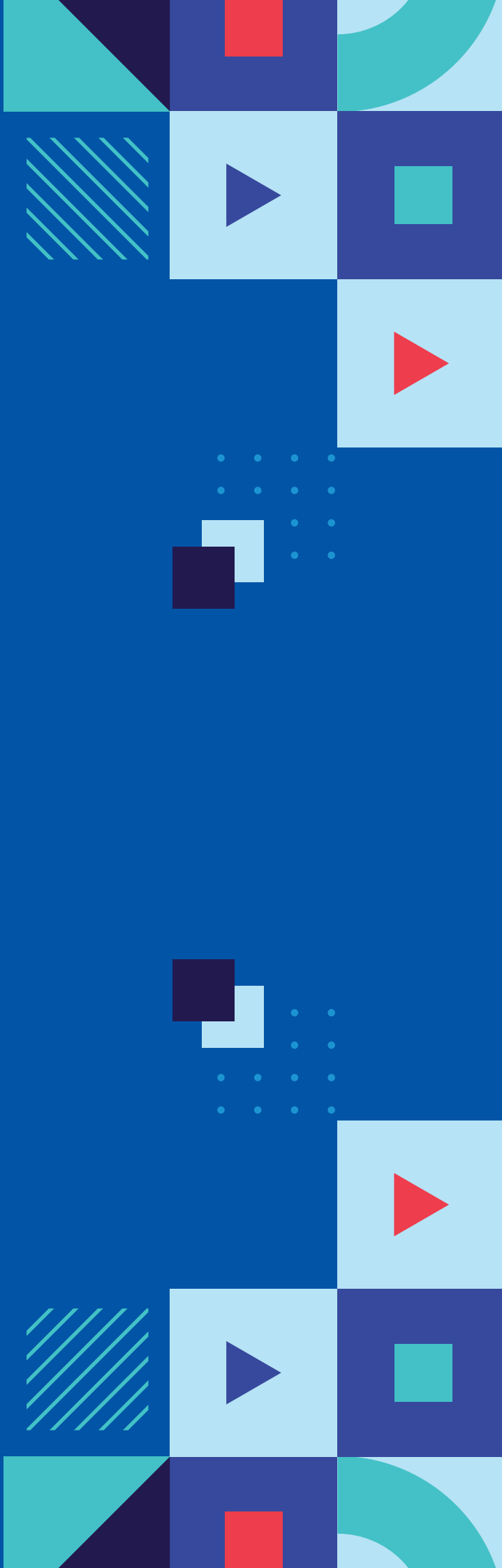
These questions and more have wide-ranging implications for public policy. They serve as evidence of the need for changes to the vast body of employment law that governs work. This body of law will need to be modernised to keep pace with changes happening in the world of work. FKE has a key role to play in helping to influence the policy dialogue and shape the answers to these questions in a way that advances the interests of employers in Kenya while also fully respecting the rights of Kenyan employees.



Reference

1 Because the survey respondents included only three microenterprises, they were lumped together with small enterprises for the purposes of this analysis.





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