

# Insights and Commentary from Dentons

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# INDUSTRY INSIGHT WITH **HH&M**

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## EMPLOYMENT INDUSTRY INSIGHT



### [1. Courier firm Sendy to lose international licence](#)

Technology-based courier firm Sendy is set to lose its international licence after the Communications Authority of Kenya started the process of revoking it in a notice dated 30 August. Sendy says this comes after it abandoned its plans to venture outside the local market. The courier firm through its CEO Meshack Alloys says it initiated the termination after a review of its strategy, and deciding that Sendy is a technology company, not a courier company and therefore do not need the licence.

### [2. Work-based pay mode in focus as governors sack staff at will](#)

Public service employment is donning a new face, with

incoming governors insisting on paying based on work done rather than on the traditional 30-day system.

A number of county bosses, on assuming office, have sent workers home while others are insisting on signing contracts with those hired, subject to performance.

Their action could be informed by a study done by the private sector in 2015, which found out that some workers are paid every month for work not done.

### [3. Temporary staff want Sh18m after railways contract terminated](#)

More than 100 casual workers contracted by the Rift Valley Railways (RVR) in Eldoret and Malaba are demanding over Sh18 million in wages following the termination of a 25-year

contract with the Kenya Railways. The workers hired to maintain and clean tracks claimed they had not received payments since May. The Kenya Railways terminated the concession deal with the RVR on August 31.

### [4. KQ in pilots crisis as 55 flee to rivals in one year](#)

Kenya Airways (KQ) lost a record 55 pilots last year raising to nearly 100 the number of pilots who have exited the struggling national carrier in two years. The exits left the national carrier operating below the optimum number of pilots needed for smooth flight operations, KQ says in its latest annual report.

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## [5. Union in court to block Chebukati staff changes](#)

The fallout over the bungled August 8 polls deepened at the electoral agency on Thursday after union officials moved to court in a bid to block staff changes on the day that a memo purporting to detail electoral irregularities leaked to the media.

The Kenya Independent Commission Workers Union sued the Independent Electoral and Boundaries Commission (IEBC) chairman Wafula Chebukati seeking to bar him from excluding chief Ezra Chiloba and seven other senior staff members from conducting the October 17 repeat poll. The Employment and Labour Relations Court however declined to issue a temporary order suspending Mr Chebukati's reshuffling of the polls team.

## [6. Pension schemes slash share of the state debt](#)

Pension schemes have gradually but steadily been cutting stake in government debt since July coinciding with recent rally at the Nairobi bourse ahead of the August 8 poll. The Central Bank of Kenya (CBK) numbers show the schemes have reduced holding of government domestic debt by Sh21.22 billion from mid-July through August 25 to Sh575.70 billion, or 27.1 per cent of the Sh2.12 trillion domestic debt.

## [7. RVR workers reject six-month contracts](#)

More than 2,600 Rift Valley Railways workers comprising train attendants, security personnel, welders, engineers

and drivers said they can only accept employment on permanent basis.

## [8. KPA introduces comprehensive medical cover for pensioners](#)

The Kenya Ports Authority (KPA) has introduced radical changes to its retirement benefits scheme, including a comprehensive medical cover for pensioners. Widows and widowers of KPA employees will also receive three times the basic salary of their partners after they die.

## [9. Reprieve as Kenya Airways spares 499 staff the sack](#)

National carrier Kenya Airways will continue to incur a huge wage bill after it decided to reduce the number of employees it had planned to lay off as part of its turnaround strategy. Downsizing was among the initiatives identified in the airline Operation Pride turnaround strategy that was expected to bring in additional Sh 20 billion in revenue.

## [10. Directors want their Sh1.6bn Chase Bank case quashed](#)

Two directors of a company accused of conspiring to defraud the collapsed Chase Bank over Sh1.6 billion and stealing \$588,000 (currently Sh60.5 million) have denied the charges terming them as "fatally defective". Mr Mohammed Nasrullah Khan and his wife, Amira Claudia Khan, have urged senior principal magistrate Ms Martha Mutuku to quash the criminal charges.

## [11. Job cuts loom in Samsung Nairobi office shake-up](#)

South Korean electronics giant Samsung has downgraded its Nairobi regional office in a major operational shake-up that is likely to result in loss of jobs, joining a host of other multinationals that made similar moves. The Seoul-based firm said the changes, which come barely two years after it sent home 26 executives from the Nairobi office, are meant to cut costs and improve efficiency across its African market. The shake-up will see Samsung East Africa's chief executive and chief finance officer relocate to the company's South Africa offices, according to sources familiar with the matter.

## **12. Appointments and Resignations**

### **KCB Group PLC**

The Board of KCB Group Plc having received regulatory approval is pleased to announce the appointment of Dr. Nancy Asiko Onyanago to the Board of Directors. Seacom taps Tonny Tugee to head its Kenyan business.

### **SEACOM**

Pan African undersea cable services firm SEACOM has appointed Tonny Tugee head its newly launched business in Kenya and its service provider segment for East Africa.

### **Jumia Travel**

Jumia Travel has appointed Joe Falter, as the new chief executive officer, succeeding Paul Midy, who has taken up another role in the Group.

## Simba Corp

Simba Corporation's CEO and majority shareholder Adil Popat has stepped down after a decade to become executive chairman as part of leadership changes at the fast-growing company. Mr Dinesh Kotecha, who was the firm's executive director, is the new chief executive officer. Simba also appointed Suraj Shah as the chief finance officer while Matata Munyeke and Ameet Shroff will head Simba's emerging and established automotive business respectively.

## Co-operative Bank

Co-operative Bank has tapped former Treasury Director of Debt Management John Murugu to be its chairman. Mr Murugu will from next month replace Stanley Muchiri, the outgoing chairman, who is retiring after attaining the set retirement age.

## Safaricom names four directors after Vodacom deal

Safaricom has appointed four new directors days

after Vodacom finalised the acquisition of a 35 per cent stake in the telecoms firm. In the changes:

- (1) Gianluca Ventura, HR director for Africa, Middle East, Asia and Pacific at Vodafone, becomes an alternate director at Safaricom to Vivek Badrinath who is the chief executive for the Africa, Middle East and Asia-Pacific (AMAP) region at Vodafone Group.
- (2) Mohamed Shameel Aziz Joosub, the group chief executive officer, executive director of Vodacom Group becomes a director at Safaricom.
- (3) Till Streichert, Vodacom group Chief Finance Officer becomes an alternate director to Mr Shameel Josub.
- (4) Linda Watiri Muriuki an advocate of the High Court of Kenya has also been appointed as director of the Safaricom.

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