

RECENT TRENDS AND DEVELOPMENTS IN THE GLOBAL WORKPLACE AND THEIR IMPACT ON EMPLOYMENT RELATIONS IN KENYA

Kennedy OLUNGO¹, Wilfred UKPERE²

¹*Department of Industrial Psychology and people Management, Faculty of Management, University of Johannesburg, South Africa,*

Email: kennedy.olungo@gmail.com

²*Department of Industrial Psychology and people Management, Faculty of Management, University of Johannesburg, South Africa,*

Email: wiukpere@uj.ac.za

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Abstract

Various perspectives exist amongst people about globalisation – a phenomenon that has impacted local economies in terms of trade, foreign direct investments, agriculture, technology transfer, dominant culture, as well as international standards. This study relied on a mixed methodology approach, which is a combination of quantitative and qualitative approaches. A total of 500 closed ended questionnaires were distributed to the employees of the sampled companies, out of which 483 were satisfactorily responded to, which amounts to 97% response rate. In addition, 10 key employment relations stakeholders were interviewed. The findings of the study revealed that there has been an increase in the rate outsourcing by many organisations in Kenya, which has partly contributed to raising incidents of downsizing and retrenchment that have exacerbated the level of unemployed. Technological advancements have also been noted as a major contributor to retrenchment in Kenyan organisations. Although techno-



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logy has accelerated performance, which has helped many organisations to reduce the operational costs, it has at the same time affected employees who have lost their livelihood as a result of the incursion of advanced technological innovations. Many organisations are currently engaging employees on casual or temporary work, which are sourced from labour brokers as a cost cutting mechanism. This state of affairs has affected the morale and psychological contract of many workers in Kenyan.

Keywords: *recent trends; developments; global workplace; impact.*

JEL Classification: F6; J5

Introduction

The major drivers of Globalisation are the advanced countries of the world. Through globalisation, the developed countries have sold to their customs, habits, lifestyles, food, fashion, music, just to mention a few to the world. Although incipient globalisation existed before the current one, however, it was not strongly felt owing to lesser integration of economies across the globe [Castells, 2012]. Nevertheless, the late 1980s and early 1990s witnessed rapid global economy changes, which was signified by the breaking down of trade barriers, as well as reduction of trade protectionism, which accelerated the pace of globalisation [Betcherman, 2015]. Indeed, globalisation has contributed towards reducing trade restriction and costs of productions, thereby improving trade, enhancing technological advancements and competitiveness [United Nations, 2000].

More than that, globalisation seems to have brought about new ways of rewarding employees based on the value that they bring to the organization in terms of performance rather than rewarding them on the rate of inflation, as previously done [Dolan & White, 2007]. Previously, the labour market tends to increase employee rewards without basis due to weak labour practices, which in most cases lead to unsustainable wage bills [Hertog & Steffen, 2012].

The statement of the problem

Kenya is currently witnessing increasing work interruptions occasion by rising strike actions, go-slows and lock-outs, which are all signs of workers discontent stemming from low wages, perceived and felt redundancy, downsizing and of



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course, retrenchment. All these anomalies are connected to atypical employment practices of labour brokering, outsourcing, re-engineering, automation, including the use of child labours. There have been efforts by researchers [Mandan, 2004; Scholte, 2005; Goldin & Reinert, 2007] to investigate the recent trends triggered by globalisation has affected the workplace in other nations and regions. However, no concrete effort has been made to investigate the impact of these new trends ushered by globalisation on employment relations in Kenya.

Research Question

The study was guided by the following research question:

- What are some of the recent trends and developments in the global workplace since the dawn of globalisation?
- How have these recent trends impacted employment relations in Kenya?

Research Objective

The study was guided by the following objective:

- To examine some of the recent trends and developments in global workplaces since the dawn of globalisation
- To establish how these recent trends have impacted employment relations in Kenya.

Significance for the Study

The study will be significant to scholars as it will add to the array of new knowledge in the area of globalisation and employment relations, especially scholars in the field of human resource management and employment relations. The study will certainly fill some knowledge gaps within the domain of globalisation and its impact on employment relations in Kenya

Recent trends and developments in the workplace since globalisation and their impact on employment relations in Kenya

Rapid competition has been one of the major outcomes of globalisation. Most firms have been forced to embrace the changes that come along with globalisation in order for them to remain in business. Cutting costs and increasing revenue has become very important in order to remain competitive. One of the major costs of any firm is the wage bill, which, if not handled with care, can lead to a loss in



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profits. Some businesses have resorted to retrenchments to reduce the wage bills, while others have resorted to changing the employment patterns of their workplaces. Due to the changing pattern of employment, most organisations now prefer to engage staff on a casual basis as opposed to a permanency, which attracts benefits that are considered as cost to the firm (Republic of Kenya, 2007). Despite firms benefiting from cost cutting as a result of engaging workers on a casual basis, the current development has impacted negatively on the employment relations.

More than that, advancements in technology have contributed to a paradigm shift in work structures. The fact remains that rapid technological innovations have been fuelled by globalisation [Roberts, 2006]. New technologies have altered the mode of production from a manual system to one of technology, where most works are no longer working manually, but engaging in sophisticated technological production systems that enhances efficiency [Roberts, 2006]. Technologies have also led to changes in work patterns for local workers as initial work that was previously performed by an unskilled workforce now requires a skilled person with knowledge of new technologies, such as information technology (IT) to perform [Roberts, 2006]. Hence, towards the end of the twentieth century, sophisticated machines have virtually replaced the manual system of operations in the workplace [Aronowitz & DiFazio, 2010].

Ukpere and Slabbert (2007) observed that globalisation has indeed contributed to advancements in technology, while technology has also greatly aided globalisation. Technology has brought about increases in competition and the war for talent at a global level [Roberts, 2006]. Technology has affected the major spheres of economy activities such as transportation and communication. The transport sector has undergone transformation, as the sector has become more cost effective and efficient than it was previously [Ukpere & Slabbert, 2007].

Globalisation has contributed to changes in employment patterns, as most employees are no longer engaged on a permanent basis [Neikirk, 2008]. According to Clott (2004), most organisations initially resorted to outsource most of their peripheral activities, while they concentrate on their core activities. This had an impact on the work structures of most organisations globally. In the past, outsourcing was used at initial production levels, which were perceived as noncore activities. However, recently, outsourcing is even utilised for core functions in the production of final products and services [Neikirk, 2008]. Outsourcing has been one of the ways of ensuring that firms remain viable and competitive in the global market,

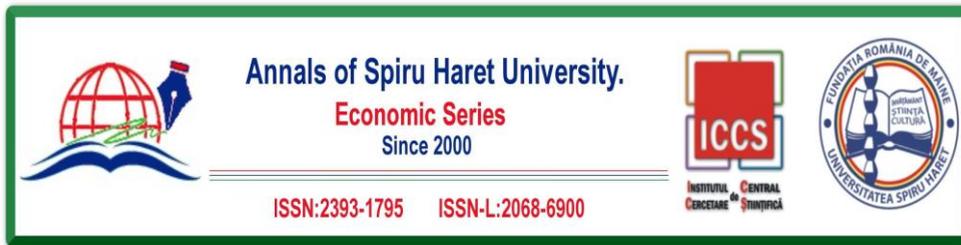


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particularly in industrialised countries [Ukpere & Slabbert, 2007]. However, outsourcing also seems to have contributed to unemployment owing to redundancies witnessed in the workplace as a result of certain functions that have been outsourced [Clott, 2004]. Some organisations have been forced to change their scope of operations and employment patterns in order to remain competitive [Neikirk, 2008].

The tendency to overwork workers has made work flexibility an appealing economic choice in the globalised world of work [Ukpere & Slabbert, 2007]. As aforementioned, human resources have now been dichotomized into main groups of multi-tasked permanent workers and a part-time workforce who are engaged on a temporary basis [Adams *et al.*, 2006]. The method that is employed usually brings benefits to the organisations, but at the cost of the casual workers. Indeed, the working environments have changed owing to the current liberalised market [Ohmae, 2005]. While employers have emphasized changes in work structures to guarantee higher returns, employees, conversely, prefer higher wages and good conditions of service, which in most cases have prompted employers to threaten that jobs may be moved elsewhere such as to China and Bangladesh, where the cost of labour is cheap and the conditions of service deplorable [Ukpere & Slabbert, 2009].

Global unemployment is on the rise and there are growing signs that this trend will continue unabated [Zulkipli & Burt, 2013]. According to Ukpere (2007), one repugnant aspect of globalisation is the increasing rate of unemployment in societies around the globe. In Kenya, challenges in the labour market include the slow growth in employment creation, the non-productive and less sustainable nature of most jobs, and the perceptions of some jobs seekers regarding their preferred jobs since 2002 [Waweru, 2007]. Unemployed youths have become a major risk factor in Kenya [DiNardo & Lemieux, 1997]. However, it should be kept in mind that a majority of the youths have not acquired the right skills to enable them to secure proper employment, while others have willingly chosen not to work [Zulkipli & Burt, 2013]. This comes as a result of selectiveness by some of the youths in respect of available jobs owing to negative attitudes towards some job [Brewster, 2008]. The government has been developing policies that will attract youths to take up available jobs [GoK Report, 2009]. But the strategies have not worked since most of the youth continues to show negative attitudes towards some jobs that have been created. In addition, increased casualization of labour, contract employment and unregulated outsourcing of jobs have made workers more vulnerable, especially within the context of social protection and workers' rights [Brewster, 2008].



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Global competition has made organisations to search out for ways of cutting costs if they need to be globally competitive, and one of the strategies they have resorted to achieve that is through downsizing [Irungu, 2011]. As always, managers have the responsibility to determine how employees should be utilised to ensure maximum return on investments [Flingstein, 1996]. Several developments have occurred since globalisation and economic liberalisation [Brewster, 2008]. For instance, organisations are working hard to ensure that they have a lean work force in production lines. Although, Irungu (2011) once states that the restructuring taking place in the public sector is not merely as a result of globalisation, however one cannot rule out completely that globalisation has no effect in the public sector. Currently, everything is done with a global mind-set. Thus, globalisation has an effect on almost everything that takes place at a local level [Brewster, 2008]. Ukpere and Slabbert (2009) posit that new organisational behaviours such as downsizing, reengineering and organisational merger/combinations are direct consequence of globalisation, which has accelerated the pace of unemployment.

Research methodology: Sample and research process

The main aim of the research was to establish recent trends and developments in global workplaces in order to establish their impact on employment relations in Kenya. The research used a mixed research approach to investigate the topic under study. The main reason for a mixed method is to ensure proper triangulation of information to minimise errors. The study targeted all companies operating in Nairobi and Mombasa in Kenya, but sampled a total of 500 employees using purposive sampling technique. The respondents were issued with a well drafted closed ended questionnaire. A total of 483 questionnaires were satisfactorily filled and returned forming a response rate of 97%. Of the 483 respondents, 37 were returned via Survey Monkey, while 446 were collected manually. Furthermore, 10 key employment relations stakeholders were interviewed. Prior to data collection, the researcher considered the content validity of the questionnaire by conducting a pilot study. The questionnaire was also vetted by the researcher's supervisor and peers. The test of content validity was established through inter judge consultants. The reliability of the instrument was also evaluated by performing Cronbach's alpha coefficient for all the items in the questionnaire to measure the level of internal consistency among the variables under study.

Data analysis

In order to establish the perceptions of the respondents on recent trends and developments in global workplaces in order to establish their impact on employment relations in Kenya, the researcher posed questions and made statements, which respondents had to either answer or respond to.

Decisions on outsourcing

This section sought to establish whether workers are consulted when management plans to outsource some services or activities in the selected organisations.

Table 1. Management Prerogatives on Outsourcing Decisions

Outsourcing of some services/activities is solely management’s decision				
		Frequency	Per cent	Cumulative Per cent
Valid	Strongly Disagree	22	4.6	4.6
	Disagree	14	2.9	7.5
	Neutral	87	18.0	25.5
	Agree	224	46.4	71.8
	Strongly Agree	136	28.2	100.0
	Total	483	100.0	

(N=483)

Table 1 shows that 46.4% of the respondents agreed that outsourcing of some services/activities are solely management’s decision, while 28.2% strongly agreed, and 18% remained neutral regarding the statement. A total of 2.9% disagreed with the statement, while 4.6% strongly disagreed that outsourcing of some services/activities is solely management’s decision. In total, 74.6% (46.4%+28.2%) agreed that outsourcing of some services/activities are solely management’s decision, while a total of 7.5% (2.9%+4.6%) of the respondents disagreed that outsourcing of some services/activities are solely management’s decision. The high number of those who agreed with the statement shows that outsourcing of some activities were solely undertaken by management without consulting with workers to obtain their input.

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Globalisation and downsizing/retrenchments

The rationale for this section was to establish whether globalisation has contributed to the high level of retrenchments in Kenya.

Table 2. Rising Trends in Retrenchments since Globalisation

There has been rising trends in retrenchments in recent times owing to globalisation				
		Frequency	Per cent	Cumulative Per cent
Valid	Strongly Disagree	28	5.8	5.8
	Disagree	59	12.2	18.0
	Neutral	101	20.9	38.9
	Agree	216	44.7	83.6
	Strongly Agree	79	16.4	100.0
	Total	483	100.0	

(N=483)

Table 2 shows that 44.7% of the respondents agreed that there has been rising trends in retrenchments since globalisation, and 16.4% strongly agreed with this statement. However, 20.9% of the respondents decided to remain neutral on the subject, while 12.2% disagreed, and 5.8% strongly disagreed that there has been raising trends in retrenchments since globalisation. In sum, 61.1% (44.7%+16.4%) agreed with the statement, while a sum of 18% (12.2%+5.8%) disagreed. The high response rate of those who agreed with the statement indicates that retrenchments have increased in Kenya since globalisation. This development may have an adverse effect on employment relations.

Procedural fairness in retrenchments since the advent of globalisation

This section sought to establish if management has been fair when executing the retrenchment process, which has far reaching consequences on staff morale and employment relations.

Table 3. Due Process of Fairness during Retrenchments

Due process of fairness is followed by management where retrenchment occurs				
		Frequency	Per cent	Cumulative Per cent
Valid	Strongly Disagree	56	11.6	11.6
	Disagree	103	21.3	32.9
	Neutral	203	42.0	74.9
	Agree	94	19.5	94.4
	Strongly Agree	27	5.6	100.0
	Total	483	100.0	

(N=483)

Table 3 shows that a substantial number of respondents, namely 42%, were non-committal towards the subject, while 19.5% agreed that due process of fairness is followed by management where retrenchment occurs and 5.6% strongly agreed with the statement. However, 21.3% disagreed and 11.6% strongly disagreed that due process of fairness is followed by management during retrenchments. In sum, 32.9% (21.3%+11.6%) of the respondents disagreed that due process of fairness is followed by management when retrenchment occurs, while a sum of 25.1% (19.5%+5.6%) agreed with the statement. The high number of those who remained neutral is a sign that many workers chose not to take sides on the statement, probably owing to the tensions that retrenchment issues bring to the workplace.

Representation of employees in the retrenchment process

Here, the researcher sought to establish whether employees have a say in the retrenchment process via their representatives.

Table 4 shows that a vast number of respondents, 40.8% remained non-committal as to whether or not employee representatives are involved in the retrenchment exercise. However, 20.5% agreed and 2.5% strongly agreed that employee representatives are involved in the retrenchment exercise, while 29.4% disagreed and 6.8% strongly disagreed with the statement. In sum, 36.2% (29.4%+6.8%) disagreed

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that employee representatives are involved in the retrenchment exercise, while a sum of 23% (20.5%+2.5%) agreed that employee representatives are involved in the retrenchment exercise. The high number of those who disagreed indicates that retrenchment exercises have been solely executed by management, with less or no involvement of employee representatives, which could have negative repercussions for harmonious employment relations.

Table 4. Involvement of Employee Representatives in Retrenchment Process

Employee representatives are involved in the retrenchment exercise				
		Frequency	Per cent	Cumulative Per cent
Valid	Strongly Disagree	33	6.8	6.8
	Disagree	142	29.4	36.2
	Neutral	197	40.8	77.0
	Agree	99	20.5	97.5
	Strongly Agree	12	2.5	100.0
	Total	483	100.0	

(N=483)

Payment of terminal dues during retrenchments

The rationale for this section was to establish the treatment of employees during the retrenchment process, and whether they are given all their dues to accord them some comfort. This would help to eliminate some discontent amongst the remaining employees that survived the retrenchment exercise.

Table 5 shows that 43.5% of the respondents agreed that employees are paid their termination dues before leaving employment and 9.1% strongly agreed, while 32.5% were neutral on the subject. However, 9.9% of the respondents disagreed and 5.0% of the respondents strongly disagreed that employees are paid their termination dues before they leave their employment. Altogether, 52.6% (43.5%+9.1%) agreed with the statement, while in sum, 14.9% (9.9%+5.0%) disagreed. The high number of those who agreed with the statement signifies employers' positive treatment of retrenched employees in terms of payment of their terminal dues.

Table 5. Payment of Terminal Dues to Retrenched Employees

Employees are paid their termination dues before leaving employment				
		Frequency	Per cent	Cumulative Per cent
Valid	Strongly Disagree	24	5.0	5.0
	Disagree	48	9.9	14.9
	Neutral	157	32.5	47.4
	Agree	210	43.5	90.9
	Strongly Agree	44	9.1	100.0
	Total	483	100.0	

(N=483)

Rising trends in outsourcing in recent times

This section sought to establish whether globalisation has increased the reorganisation of work through outsourcing as opposed to the recruitment of permanent workers.

Table 6. Increased Outsourcing of Work to External Organisations

Currently, most of the work in organisation is outsourced compared to the past				
		Frequency	Per cent	Cumulative Per cent
Valid	Strongly Disagree	16	3.3	3.3
	Disagree	74	15.3	18.6
	Neutral	110	22.8	41.4
	Agree	216	44.7	86.1
	Strongly Agree	67	13.9	100.0
	Total	483	100.0	

(N=483)

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Table 6 indicates that 44.7% of the respondents agreed that, currently, most of the work in the organisation has been outsourced in recent times compared to the past, and 13.9% strongly agreed. However, 22.8% were neutral on the subject, while 15.3% disagreed and 3.3% strongly disagreed with the statement. Cumulatively, 58.6% (44.7%+13.9%) of the respondents agreed that, currently, most of the work in their organisation has been outsourced recently compared to in the past, while in total, 18.6% (15.3%+3.3%) disagreed with the statement. The high number of those who agreed with the statement indicates that most organisations have resorted to outsourcing more of their routine activities in recent times, thereby rendering more workers redundant for future retrenchments.

Modern technology and work allocation

This section sought to establish the impact of modern technology, a by-product of globalisation, on work allocation, in order to ascertain whether technology has reduced workloads or otherwise.

Table 7. Reduction of Workloads Because of Modern Technology

Increased use of modern technology has reduced workloads				
		Frequency	Per cent	Cumulative Per cent
Valid	Strongly Disagree	22	4.6	4.6
	Disagree	81	16.8	21.3
	Neutral	93	19.3	40.6
	Agree	196	40.6	81.2
	Strongly Agree	91	18.8	100.0
	Total	483	100.0	

(N=483)

Table 7 indicates that 40.6% of the respondents agreed that increased use of modern technology has reduced workloads, while 18.8% strongly agreed, and 19.3% of the respondents were neutral regarding the impact of modern technology on workloads. However, 16.8% of the respondents disagreed and 4.6% strongly

disagreed with the statement. Cumulatively, 59.4% (40.6%+18.8%) of the respondents agreed that increased use of modern technology has reduced workloads, while 21.4% (16.8%+4.6%) disagreed with the statement. The high number of those who agreed shows that the use of modern technology has led to a reduction in employees' workloads, which may potentially trigger redundancy in the workplace.

Modern technology and redundancy

The rationale for this section was to establish whether increased use of modern technology has negatively affected employees in terms of redundancy.

Table 8. Redundancy of Workers as a Result of Increased Use of Technology

Increased use of modern technology has led to redundancy of workers				
		Frequency	Per cent	Cumulative Per cent
Valid	Strongly Disagree	32	6.6	6.6
	Disagree	96	19.9	26.5
	Neutral	143	29.6	56.1
	Agree	162	33.5	89.6
	Strongly Agree	50	10.4	100.0
	Total	483	100.0	

(N=483)

Table 8 indicates that the subject elicited varied reactions, as 33.5% of the respondents agreed that increased use of technology has led to worker redundancy, while 10.4% strongly agreed, 19.9% disagreed, and 6.6% strongly disagreed with the statement. However, 29.6% of the respondents were non-committal towards the subject. In sum, 43.9% (33.5%+10.4%) agreed that increased use of technology has led to workers redundancy, while cumulatively, 26.5% (19.9%+6.6%) disagreed with the statement. The high number of respondents who agreed with the statement indicates that modern technology has indeed contributed to redundancy in the workplace, which ultimately has a negative effect on the relationship between employers and employees owing to retrenchments as a result of redundancy.

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Technology and new developments in labour relations

This section sought to establish whether technological developments, as a by-product of globalisation, have impacted on labour relations within organisations.

Table 9. New Development in Labour Relations as a Result of Modern Technology

Technological development has influenced developments in labour relations				
		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	6	1.2	1.2
	Disagree	70	14.5	15.7
	Neutral	198	41.0	56.7
	Agree	171	35.4	92.1
	Strongly Agree	38	7.9	100.0
	Total	483	100.0	

(N=483)

Table 9 indicates that 7.9% of the respondents strongly agreed and 35.4% agreed that technological development has influenced developments in labour relations, while 1.2% strongly disagreed and 14.5% disagreed, respectively, with the statement, and 41% remained neutral. In total, 43.3% (35.4%+7.9%) agreed that technological development has influenced developments in labour relations, while a total of 15.7% (14.5%+1.2%) disagreed with the statement. The high number of respondents who agreed with the statement indicates that technological development has influenced developments in labour relations.

Skills development and casual employment

This section sought to find out if Kenyan companies provide casual employees with opportunities to develop their skills in the era of globalisation.

Table 10 shows that majority of the respondents, namely 32.3%, were neutral on the subject, while 30.2% agreed and 12.4% strongly agreed that casual employees never get opportunities to improve their skills. However, 19% disagreed and 6.0% strongly disagreed with the statement. Altogether, 42.5% (30.2%+12.4%) of the

respondents agreed that casual employees never get a chance to improve their skills while a total of 25% (19.0%+6.0%) disagreed. The high response rate of those who agreed with the statement indicates that casual employees in Kenyan companies are not given opportunities to develop their skills.

Table 10. Lack of Skills Development Opportunities for Casual Employees

Casual employees never get an opportunity to develop their skills				
		Frequency	Per cent	Cumulative Per cent
Valid	Strongly Disagree	29	6.0	6.0
	Disagree	92	19.0	25.1
	Neutral	156	32.3	57.3
	Agree	146	30.2	87.6
	Strongly Agree	60	12.4	100.0
	Total	483	100.0	

(N=483)

Possibility of change in employment status of casual employees

The rationale for this section was to establish if there is a likelihood that casual employees will be hired on a permanent basis during the era of globalisation, specifically if employers consider casual employees when permanent vacancies arise.

Figure 1 shows that 21.7% of the respondents agreed that there is a likelihood that casual employees will be hired on a permanent basis, while 5.0% strongly agreed and 38.1% of the respondents remained neutral regarding the statement. However, 21.3% disagreed and 13.9% strongly disagreed with the statement. In total, 26.7% (21.7%+5.0%) of the respondents agreed that there is a likelihood that casual employees may be hired on a permanent basis, while a total of 35.2% (21.3%+13.9%) disagreed with the statement. The high number of those who disagreed indicates that it is unlikely that casual employees may be hired on a permanent basis, while the great number of those who remained neutral may suggest some level of uncertainty from respondents as to whether employers consider hiring casual employees on a permanent basis.

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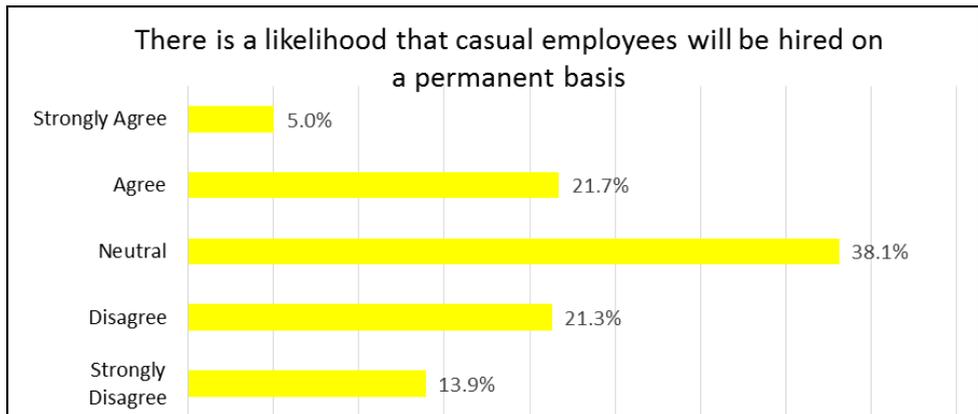


Figure 1. Hiring of Casual Employees on a Permanent Basis

Labour brokering and employment creation

The rationale for this section was to establish if labour brokers have helped people to at least earn a living in the era of globalisation owing to the high rate of unemployment.

Table 11. Labour Brokers' Assistance in Earning a Living

Labour brokers help people to earn a living where high unemployment is prevalent				
		Frequency	Per cent	Cumulative Per cent
Valid	Strongly Disagree	13	2.7	2.7
	Disagree	85	17.6	20.3
	Neutral	192	39.8	60.0
	Agree	170	35.2	95.2
	Strongly Agree	23	4.8	100.0
	Total	483	100.0	

(N=483)

Table 11 shows that a majority of the respondents were non-committal on the question, with 39.8% remaining neutral, while 35.2% of respondents agreed and 4.8% strongly agreed that labour brokers help people to at least earn a living where high unemployment is prevalent. A total of 17.6% respondents disagreed and 2.7% strongly disagreed with the statement. In total, 40% (35.2%+4.8%) of the respondents agreed that labour brokers help people to at least earn a living where high unemployment is prevalent, while a total of 20.3% (17.6%+2.7%) disagreed. The high number of those who agreed indicates that labour brokers do indeed help people to at least earn a living in Kenya, where high unemployment is prevalent.

Employees' recruitment and labour brokers

The rationale for this section was to find out if Kenyan companies recruit their employees through employment bureaus and labour brokers as opposed to engaging them directly to determine their suitability.

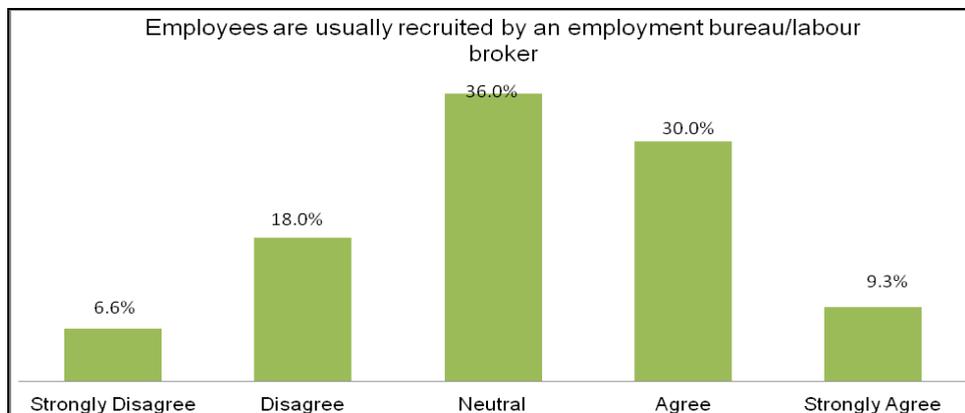


Figure 2. Recruitment of Employees through Bureaus

Figure 2 shows that 36% of the respondents were neutral regarding the question; 30% of respondents agreed that employees are usually recruited by an employment bureau; 9.3% strongly agreed; 18% of respondents disagreed; and 6.6% strongly disagreed with the statement. Cumulatively, 39.3% (30.0%+9.3%) of the respondents agreed that employees are usually recruited by an employment bureau/labour broker,

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while cumulatively, 24.6% (18.0%+6.6%) disagreed. The high number of those who agreed with the statement indicates that there is a rising trend in the recruitment of employees through employment bureaus/labour brokers in Kenyan companies in the era of globalisation.

Trends in labour brokering

The rationale for this information was to establish whether the use of labour brokers has been a rising trend in terms of recruiting employees instead of companies employing directly. In other words, whether the number of labour brokers has grown owing to the demand from employers for their services.

Table 12. Rising Trends in Labour Brokering

Number of labour brokers registered has increased since the era of globalisation			
	Frequency	Per cent	Cumulative Per cent
Valid Strongly Disagree	14	2.9	2.9
Disagree	19	3.9	6.8
Neutral	131	27.1	34.0
Agree	243	50.3	84.3
Strongly Agree	76	15.7	100.0
Total	483	100.0	

(N=483)

As shown in Table 12, 50.3% of the respondents agreed that there has been an increase in the number of labour brokers since the era of globalisation; 15.7% strongly agreed; and 27.1% of the respondents remained neutral. However, 3.9% of the respondents disagreed and 2.9% strongly disagreed with the statement. Cumulatively, 66% (50.3%+15.7%) of the respondents agreed that the number of registered labour brokers has increased since globalisation, while cumulatively, 6.8% (3.9%+2.9%) disagreed. The high response rate of those who agreed with the statement shows that the number of registered labour brokers in Kenya has increased in recent times.

Legislation on casual employment

The purpose here was to find out if the increase in labour brokers that supply casual employees for employers has been as a result of weak labour legislation.

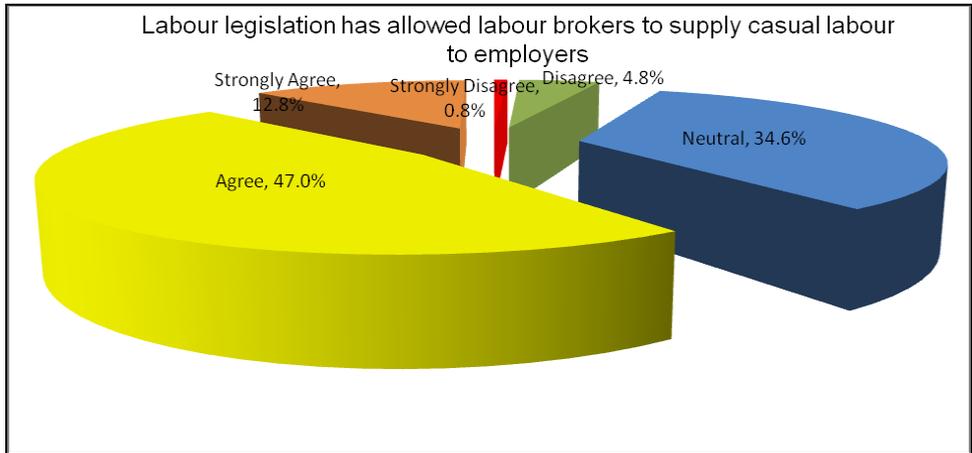


Figure 3: Weakness of Legislation on Casual Employment

Figure 3 shows that 47.0% of the respondents agreed that the number of registered labour brokers has increased since globalisation as a result of weakened legislation, and 12.8% strongly agreed. Conversely, 0.8% strongly disagreed and 4.8% disagreed with the statement, while 34.6% remained neutral. Cumulatively, 59.8% (47.0%+12.8%) of the respondents agreed that the number of registered labour brokers has increased since the era of globalisation as a result of weakened legislation, while cumulatively, 5.6% (4.8%+0.8%) disagreed with the statement. From the high response rate of those who agreed with the statement, it is clear that labour legislation has indeed been weakened to allow labour brokers to supply casual labour to employers.

Globalisation and unemployment

The reason for this section was to establish if the rate of unemployment has increased more in recent times than previously as a result of globalisation.

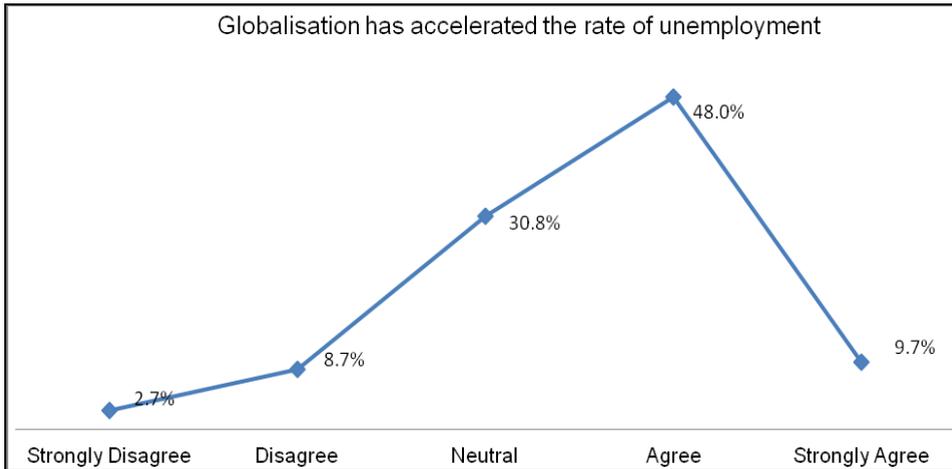


Figure 4. Rising Unemployment Owing to Globalisation

Figure 4 shows that 48% of the respondents agreed that globalisation has increased the rate of unemployment in Kenya, while 9.7% strongly agreed, and 30.8% of the respondents remained neutral. However, 8.7% of the respondents disagreed and 2.7% strongly disagreed with the statement. In total, 57.7% (48%+9.7%) of the respondents agreed that globalisation has increased the rate of unemployment, while a total of 11.4% (8.7%+2.7%) disagreed. The high number of those who agreed with the statement is an indication that unemployment has indeed increased in Kenya since globalisation.

Mergers, acquisitions and unemployment

The rationale for this section was to establish if there is a connection between the various mergers and acquisitions in Kenya, and the increasing rate of unemployment. In other words, to ascertain specifically if mergers and acquisition, which is a rising trend in the era of globalisation, has resulted in increased job losses.

Table 13 shows that 62.3% of the respondents agreed that mergers and acquisitions in organisations in Kenya has increased levels of unemployment, while

12.6% strongly agreed, and 20.3% remained neutral. However, 3.1% of the respondents disagreed and 1.7% strongly disagreed those organisational mergers and acquisitions have increased levels of unemployment. Cumulatively, 74.9% (62.3%+12.6%) of the respondents agreed with the statement, while cumulatively, 4.8% (3.1%+1.7%) disagreed. The high percentage of those who agreed with the statement is an indication that organisational mergers and acquisitions have indeed increased levels of unemployment since globalisation.

Table 13. Rising Unemployment Owing to Mergers and Acquisitions

Organisational mergers and acquisitions has increased levels of unemployment				
		Frequency	Per cent	Cumulative Per cent
Valid	Strongly Disagree	8	1.7	1.7
	Disagree	15	3.1	4.8
	Neutral	98	20.3	25.1
	Agree	301	62.3	87.4
	Strongly Agree	61	12.6	100.0
	Total	483	100.0	

(N=483)

Organisational restructuring and job destruction

The rationale for this section was to establish whether there is a link between organisational restructuring, and the growing trend of employee layoffs amongst Kenyan organisations in recent times.

Figure 5 shows that 49.7% of the respondents agreed that there is a growing trend in employee layoffs as a result of organisational restructuring, while 20.5% strongly agreed with the statement, and 24.4% remained neutral. However, 4.8% of the respondents disagreed and 0.6% strongly disagreed that there is a growing trend in employee layoffs as a result of organisational restructuring. Cumulatively, 70.2% (49.7%+20.5%) agreed with the statement, while cumulatively, 5.4% (4.8%+0.6%) disagreed. The high number of those who agreed with the statement indicates that there is a growing trend in employee layoffs as a result of organisational restructuring, which has increased since globalisation.

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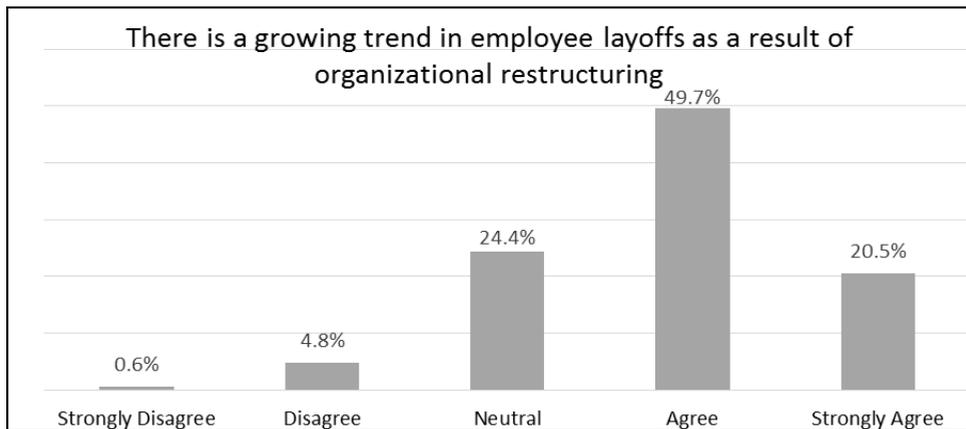


Figure 5. Growing Trend in Employee Layoffs Owing to Organizational Restructuring

Qualitative data analysis on recent trends and developments in the workplace since globalisation and their impact on employment relations in Kenya

The responses indicate that more pressure is exerted on workers in the current workplace, and workers obliged to the pressure due to fear of being retrenched. FKE 2 said that *“because retrenchment comes with company restructuring, those who leave the company are psychologically affected and those who remain are assigned new responsibilities. Sometimes those who remain are forced to work extra hours to make up for the lost workforce, which greatly affects the employment relations”*. Despite the negative impact of retrenchments, the above response indicates that workers who have better skills and experience are either promoted or they escape retrenchment because their colleagues who are less skilled or have no skills are retrenched instead. It further creates panic and a lack of interest for work, since employees are uncertain about their fate before completion of the retrenchment exercise. Retrenchment also helps companies to reduce their overheads, hence increase their profitability, which has driven more companies to undertake more retrenchments in recent times. KAM 1 noted that *“workers have lost interest in their job because they have divided attention to look for other jobs*



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before they are laid off. Also, there is stress to the few remaining workforce since they have to put in more time to maintain production". The responses generally show that rising incidents of retrenchments have indeed negatively affected employment relations in Kenya, since globalisation.

KEPSA 2 commented that "technology in the form of computer is good as it changes the way things are done e.g. before computers came, there were the typewriters that if one made a mistake, it would take *you a lot of time to correct a typed mistake*, but right now you can type something and correct immediately if there is a mistake. Right now management can make decision in real time because information is shared in real time". The respondents' views show that technology has improved the ways things are done in many companies, but at the same time it is the major reason for most retrenchments in many companies.

Discussion of findings

The study established that most organisations have resorted to outsourcing more on their routine activities in recent times, thereby rendering many workers redundant for possible retrenchments. Outsourcing of some activities were solely undertaken by management without consulting with workers to obtain their inputs. The study established that retrenchments have increased in Kenya since globalisation. From the research, modern technology has led to a reduction in employees' workloads, which may potentially trigger redundancy in the workplace by management, with less or no involvement of employee representatives. The current state of affairs could have negative repercussions for harmonious employment relations. Modern technology has indeed contributed to job destruction in the workplace, which ultimately has a negative effect on the relationship between employers and employees owing to retrenchments as a result of redundancy. From the study, it is unlikely that most casual employees will be hired on a permanent basis in the near future.

The responses indicate that casual employees are not in regular employment and thus do not have a steady income. It further states that they are vulnerable to financial problems, which result to instability families. In addition, casual employees are exploited as a cheap source of labour with minimum costs. These employees greatly contribute to a firm's profitability, yet they are remunerated poorly compared to permanent employees, as most of them do not belong to any trade union and their employment seems very insecure.



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Limitations and future research

The findings are based on the perceptions of participants/respondents that were sampled, which may not necessarily reflect the views of participants in other sectors or regions. Moreover, the mental functioning of the respondents could have an impact on the answers that they provide in the questionnaire. This could lead to outright misrepresentation of the recent trends and developments in the workplace since globalisation and their impact on employment relations in Kenya. The information was collected from Kenya only, which limits the reliance on the data in terms of generalisation. The data was captured from workers and their organisations, while other members of the broader public were not given an opportunity to express their views, which may not fully cover the perceptions of all working class individuals and potentials that are affected by the aforementioned recent trends and developments in the workplace and its impacts on their respective employment relations.

Recommendations and Conclusion

The findings show that as a result of downsizing, retrenchments created panic and some lack of interest in work, since employees do not know their fate before the retrenchment exercise is completed. Most workers seem to have lost interest in their job because they have divided their attention to look for other jobs before they are laid off. Thus organisation should plan well for post retrenchment effect in order to minimise on the interruption of organisation's operations.

There has been an increase in the engagement of labour brokers to recruit employees on their behalf; this reduces the confidence and attachment between employee and employers, which may affect performance. Employers should strive to engage the prospective employees directly during the recruitment process. There is an increasing tendency for organisations to engage employees on a contract and/or casual basis as opposed to a permanent basis, while others are engaged on a temporary basis. These employees may not give their best in terms executing their task as they feel discriminated. Therefore, employers should endeavour to employ workers on permanent basis.

The study has established that there is an increase in outsourcing of services. In fact, as long as the venture may be viable to the employers in terms of cost cutting, it will continue to affects employees and may lead to high labour turnover.



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Organisations should minimise outsourcing and only explore it when there is no other alternatives.

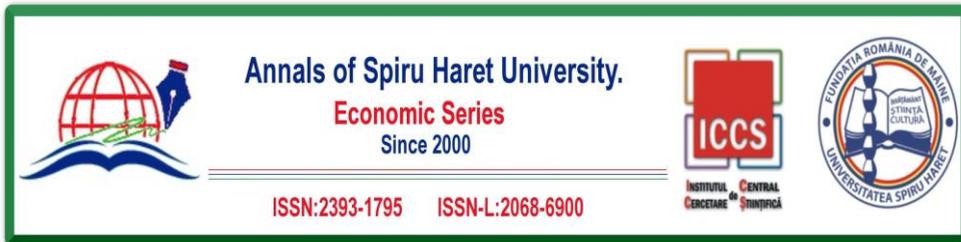
Conclusion

Since the advent of globalisation, there have been innumerable new trends in the global workplace, and particularly in Kenya, which have shaped employment relations. Most organisations in Kenya have resorted to mergers and acquisitions to boost their performance since globalisation; many organisations have established similar or almost similar lines of products or operations, and thus create stiff competition, thereby making mergers and acquisitions a viable option to take over the less performing organisations in order to withstand putative global competition.

Globalisation has contributed to the high level of retrenchments in Kenya. In the wake of globalisation, workers undertake a lot of work pressure for fear of being retrenched, because retrenchment comes with company restructuring. There is also an increase in the use of technology in recent times, which brought some benefits to Kenyan organisations. It is clear that one of the major changes that have been triggered by globalisation is technological advancement, and in the current era most organisations have embraced advanced technology, which goes a long way towards improving efficiency, cutting costs and thus increasing productivity. This may result in mixed effects on employment relations, which depends on its effect on workers.

Technology has improved output, but in the process many workers have lost their jobs and some are still being laid-off owing to their incompetence to use advanced technologies, such as computers. Technological changes have resulted in loss of jobs among some managers and senior staff that lack technological competencies. Most organisations in Kenya have increased engagement in outsourcing services since globalisation as a way of reducing the costs of operations in order to maximise profits and remain competitive.

In the wake of globalisation, many organisations in Kenya have become pressurized to remain competitive. This has mostly emerged from new entrants in the markets, as they have employed sophisticated means of operations that guarantee them profitability at a lower cost. Thus, organisations that are finding it difficult to break-even have resorted to downsizing, rightsizing and accelerated retrenchments in order to remain afloat in the competitive race within the global economy.



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