

The Deloitte logo is positioned in the top left corner. It consists of the word "Deloitte" in a white, sans-serif font, followed by a small green dot. The background of the entire page is a dark blue, swirling pattern of light trails, resembling a starburst or a long-exposure photograph of a city at night. At the bottom of the page, there is a silhouette of a city skyline with various buildings and a prominent tower.

Deloitte.

Kenya

Human Capital Trends 2014

Engaging the 21st-century workforce

Importance Index is the weighted average of rated importance by the respondents, normalized to a 0-100 scale.

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Welcome



Kimani Njoroge
Human Capital Leader
Deloitte Consulting (Pty) Ltd

I am pleased to share with you a summary of the market trends and priorities that are driving human capital decisions, according to our survey of corporate leaders across Kenya.

This report is a special excerpt from our global survey of over 2500 business leaders, capturing results from all of the world's major economic regions.

The African continent was well represented, with 348 responses from 15 African countries. In addition to the Kenya country report, all responses received from Africa will be combined into an Africa Report which will be released later this year. 34 clients from Kenya responded to the survey, which is extremely positive as this is the first time the survey has been run in Kenya.

Our annual global human capital survey sets out to analyse the HR and talent trends which we believe will most significantly impact organisations in the near future.

This year, the global report focuses on both the importance of these 12 global trends and the readiness of business and HR leaders to address them. An important feature of our analysis is the opportunity to compare the urgency and readiness of organisations to address each of these trends in Kenya, in the Africa region, and globally.

This report on Kenya is designed to complement the Deloitte 2014 Global Human Capital Trends report. We believe both reports will inform your organisation's leadership, both inside and outside HR and talent management, on the priorities which will help you engage the 21st-century workforce and achieve positive business results.



This year, the 12 trends are divided into three larger themes:

- Lead and develop
- Attract and engage
- Transform and reinvent

We look forward to discussing these insights further, and to helping you address the implications of these trends for your HR, talent management, and business operations as you prepare for the year ahead.

Yours sincerely

Kimani Njoroge
Human Capital Leader
Deloitte Consulting (Pty) Ltd

Global Human Capital Trends 2014 Top findings for Kenya



The 12 Human Capital Trends for Kenya

Ranked in order of importance and urgency as rated by Kenyan participants



1

Move beyond retention

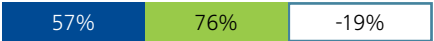
Kenya ranked employee engagement and retention as their no.1 priority and globally it was ranked as the no. 2 priority. What's the secret to becoming a "talent magnet" in the coming years?



2

Reskilling the HR team

HR professionals need an increasingly wide range of skills, not only in talent areas but also in the understanding of how the business works, makes money, and competes. How are HR teams staying current and viable?



3

Develop leaders at all levels

Leadership remains a top human capital concern—and key barrier to organizational growth. The need: develop new leaders faster, globalize leadership programs, and build deeper bench strength.



4

Talent acquisition revisited

Talent acquisition and recruiting are undergoing rapid disruption, challenging companies to leverage social networks, aggressively market their employment brand, and re-recruit employees every day.



5

The quest for workforce capability

Organisations now compete globally for scarce technical and professional skills. How can you locate and develop this talent when it takes years to develop expertise?



6

Globalise and localise the HR function

A new model of "high impact" HR blends globalised talent practices for consistency and mobility with localised flexibility to attract, retain, and manage people appropriately.



7

Corporate learning redefined

It's a new age for Learning & Development. Online content, Massive Open Online Courses, collaboration tools, and social media now fuel a training model where employees own their skills and experts share knowledge freely.



8

Implement talent analytics

Analytics is an exciting and fast-growing area for human resources, but many companies are lagging. How can they address this game-changing area of HR to move quickly and methodically into the future?



9

Shift from diversity to inclusion

The world has become highly diverse, but many companies have not—especially when it comes to combining diversity with the inclusive culture needed to truly build value.



10

Race to the cloud

Cloud-based HR technology promises to integrate people systems, enable learning and talent management, and reengineer recruiting. But massive adoption of new software is harder than it seems.



11

Performance management is broken

Companies worldwide are questioning their forced ranking, rigid rating systems, and once-a-year appraisal process. This is the year a new model of performance management will likely sweep through HR.



12

Rescue the overwhelmed employee

Technology and too much access have turned us into "overwhelmed" employees. Nearly every company sees this as a challenge to individual productivity and overall performance, but struggles to handle it.



Top trends in 2014: Retention and Engagement tops the list

The top five trends in Kenya are Retention and Engagement, Reskilling the HR Function, Leadership, Talent acquisition and access and Workforce Capability. As figure 1 below illustrates organisations in Kenya are not ready to address these trends.

Retention and Engagement ranks as the most urgent trend to address with the largest capability gap of 28%. Senior Management and specialized skill sets are increasingly rarer to source in the Kenyan job market. The limited supply of people with the required skill sets to take on senior management roles and positions' requiring specialized skills has led to a high demand for the few people available to take on these roles. Retaining and engaging talent has emerged as the key human capital challenge.

Talent and HR Analytics has the second largest capability gap of 24%. While the importance index of Leadership is 75%, the readiness is only 54%. The global human capital trends report has identified leadership as the number 1 priority in the global marketplace.

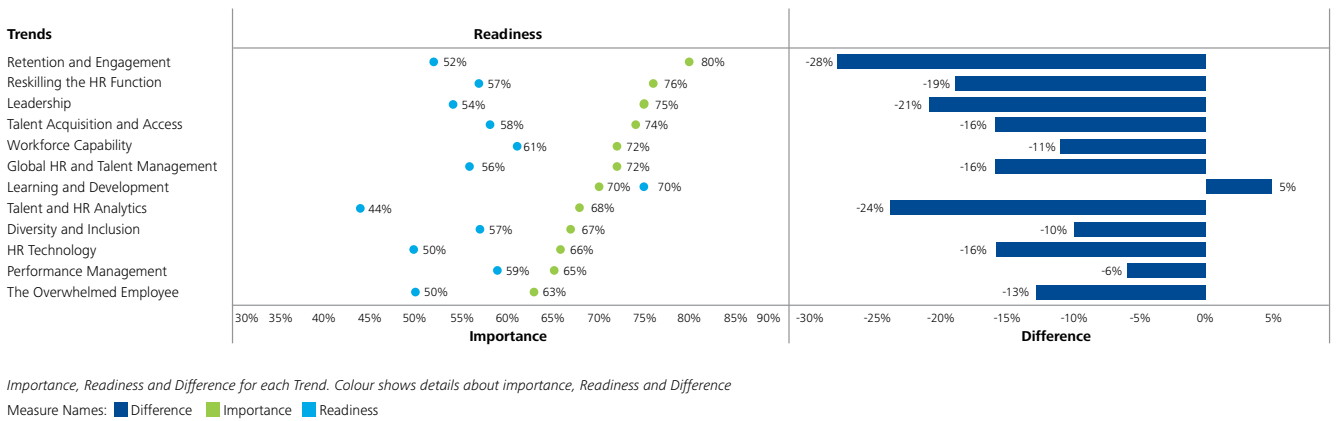
The 2014 Global Human Capital Trends report has identified the failure to develop leaders as one of the biggest threats to global business growth. The lack of leadership at all levels is the single most important issue cited by global executives. Worse yet, most of them acknowledge that they are not prepared to confidently address this challenge. Eighty-six percent of companies surveyed rate leadership as "urgent" or "important," yet only 13 percent say that they do an excellent job developing leaders at all levels.

Deloitte Consulting LLP and Deloitte by Bersin, Global Human Capital Trends 2014: Engaging the 21st-century workforce, Deloitte Development LLC, 2014, <http://dupress.com/periodical/trends/global-human-capital-trends-2014/>.

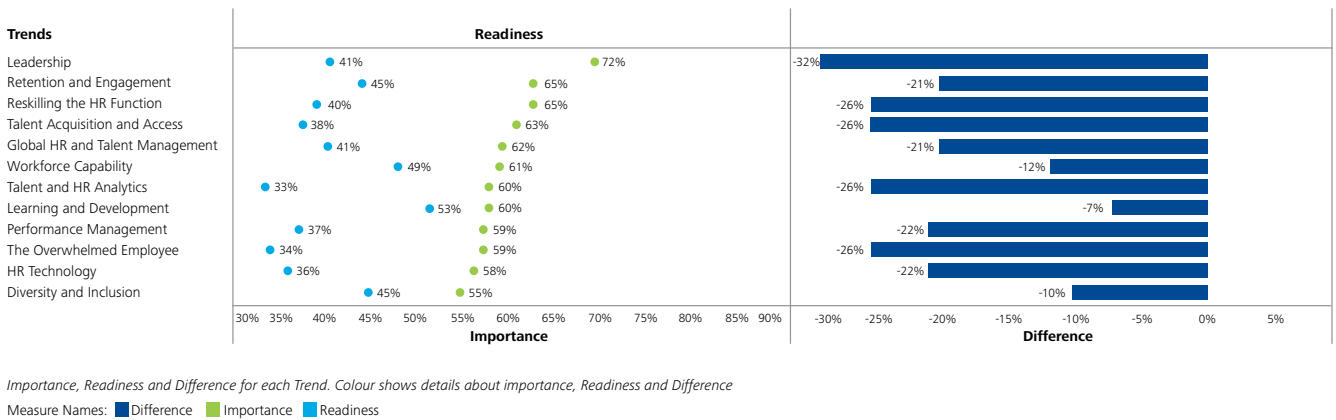
How the Kenya results compare to the EMEA and Global results

Globally the top priority common to EMEA and Kenya is Leadership, Retention and Engagement, Reskilling the HR function and Talent Acquisition and Access. Retention and Engagement is the number 1 top trend for Kenya and this trend features in the top five trends for global and the EMEA region.

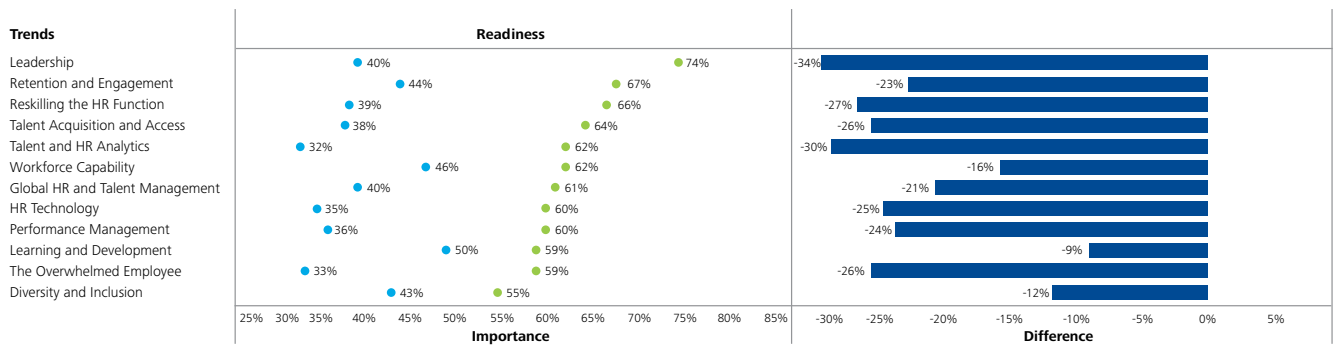
1. Top Trends by Urgency and Importance vs Readiness Gap - Kenya



2. Top Trends by Urgency and Importance vs Readiness Gap - EMEA



3. Top Trends by Urgency and Importance vs Readiness Gap - Global



Importance, Readiness and Difference for each Trend. Colour shows details about importance, Readiness and Difference
 Measure Names: ■ Difference ■ Importance ■ Readiness

Please note there may be a +/- 1% difference in the capability gap index between data in this report when compared to the data in the online dashboard due to the difference in the rounding methodology used.



Top Trends by Human Capital Challenges



Respondents were asked: “Based on the 12 Human Capital trends, which are the top five most important challenges that you face in the next 12-18 months?” The number next to each label indicates total number of responses for this question.

From the graph, Retention and Engagement, Learning and Development, Talent Acquisition and Access and Workforce Capability are the five most important challenges that respondents rated that they will face in Kenya in the next 12-18 months within their organisations.

The Top five challenges for Kenya are aligned to the EMEA and the Global Trends overall, however we see that Leadership is the top challenge for EMEA and global, while in Kenya this is the second most important challenge.

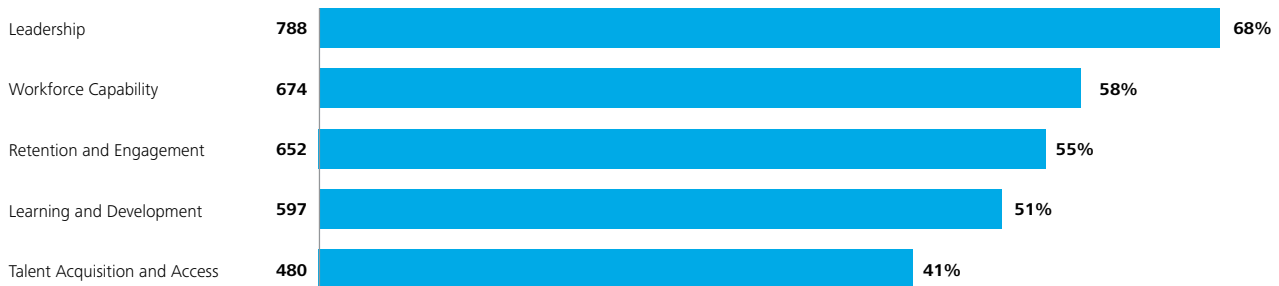
4. Five Most Important Challenges for the Next 12 - 18 Months - Kenya

Five most important challenges for the next 12 - 18 months (9)



5. Five Most Important Challenges for the Next 12 - 18 Months - EMEA

Five most important challenges for the next 12 - 18 months (9)



6. Five Most Important Challenges for the Next 12 - 18 Months - Global

Five most important challenges for the next 12 - 18 months (9)

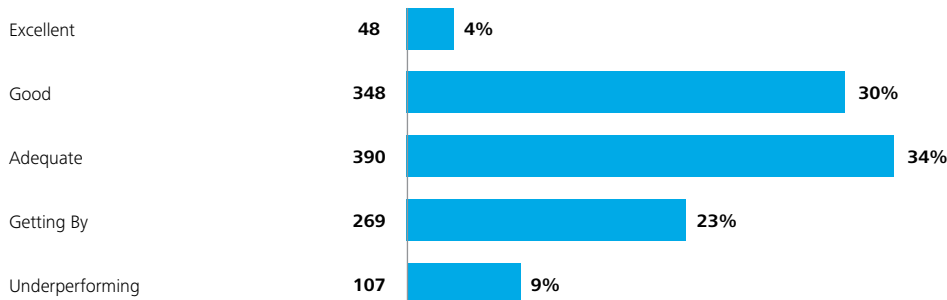


A long-exposure photograph of a night sky over a rocky landscape. The sky is dark blue and filled with numerous white, curved lines representing star trails, which are concentric arcs centered on a point in the sky. The foreground is a field of smooth, rounded, brownish-grey rocks of various sizes, extending from the bottom edge towards the horizon. The overall scene is serene and evokes a sense of time and space.

HR and Talent Programmes Report Card

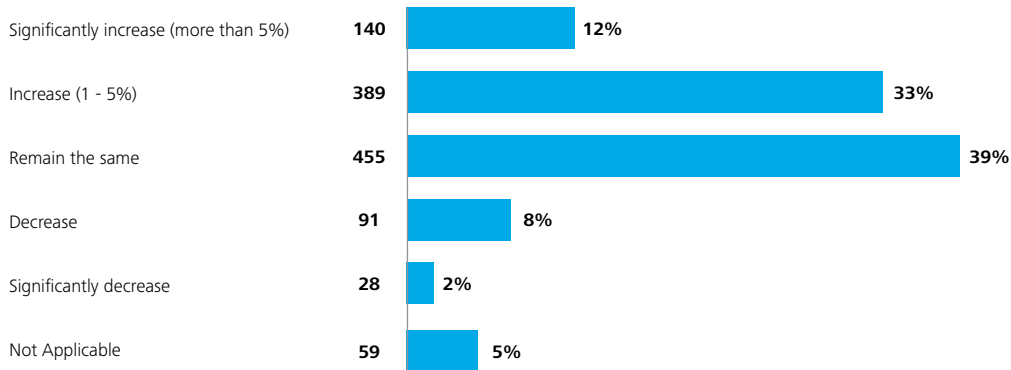
EMEA HR and Talent Programmes Report Card

How would you rate the capabilities of your organisation's HR and Talent programmes?



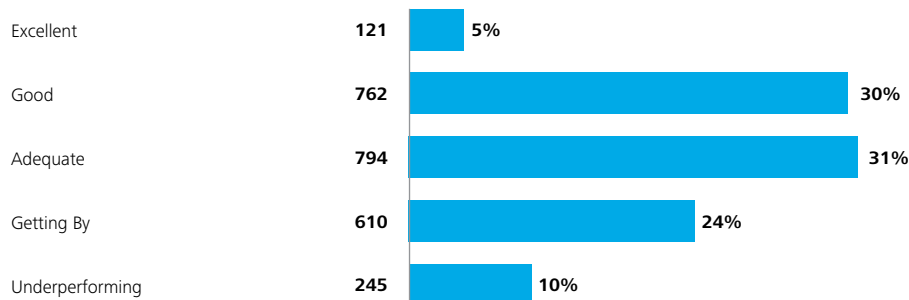
EMEA HR Investment in Next 12 - 18 Months

What are your plans to invest in HR in the next 12 - 18 months?



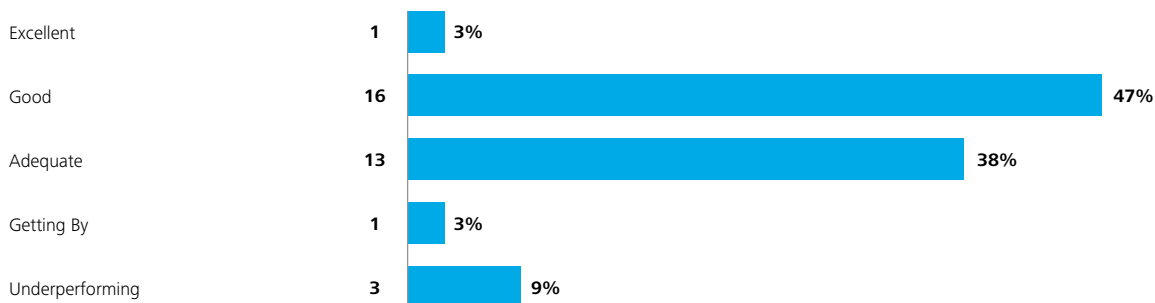
Global HR and Talent Programmes Report Card

How would you rate the capabilities of your organisation's HR and Talent programmes?



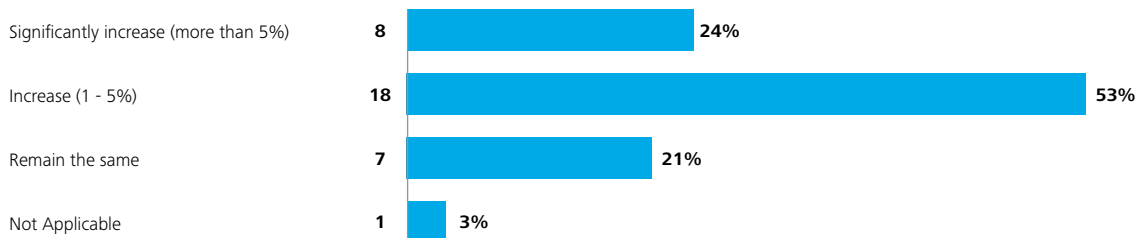
Kenya HR and Talent Programmes Report Card

How would you rate the capabilities of your organisation's HR and Talent programmes?



Kenya HR Investment in Next 12 - 18 Months

What are your plans to invest in HR in the next 12 - 18 months?



As the above figure shows, Kenyan business rates itself as (2.3) C+, in its self-assessment of HR and talent programmes, a higher figure than its global (1.5, C-) counterparts and significantly higher than EMEA region. It is suggested that this result be used with caution as the self-assessment may not have taken into account all of the challenges posed by the 21st Century Workforce that organisations in Kenya will need to start to consider when developing HR and talent programmes for 2014 and beyond.

The overall HR investment in the next 12-18 months is at (+2.58%) which shows that organisations are prepared to invest significantly in HR.

How organizations choose to prioritize their investment in HR will require closer scrutiny and analysis in order for the investment to pay off. In order to meet the changing demands of the 21st Century Workforce, the HR investment will need to be focused in the right areas where it matters the most in order to effectively meet the demands of the 21st Century Workforce.

Business Outlook

A long-exposure photograph of a night sky filled with star trails. The trails are curved and appear in shades of blue, yellow, and white. The bottom of the image shows a dark silhouette of a landscape, possibly mountains or trees, against a dark sky.

Kenya Business Outlook

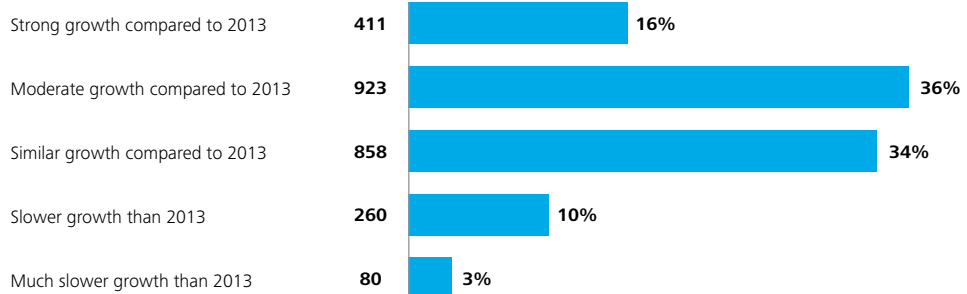
What is your general outlook for business in 2014?



Kenya business is taking a more optimistic view of the outlook for business growth than EMEA and global. While only 16 percent of respondents on the global level expect strong growth in 2014, 50 percent of Kenyan respondents do. The percentage expecting moderate growth (45%) also outpaces both the EMEA regional group (35%) and the global total (36%).

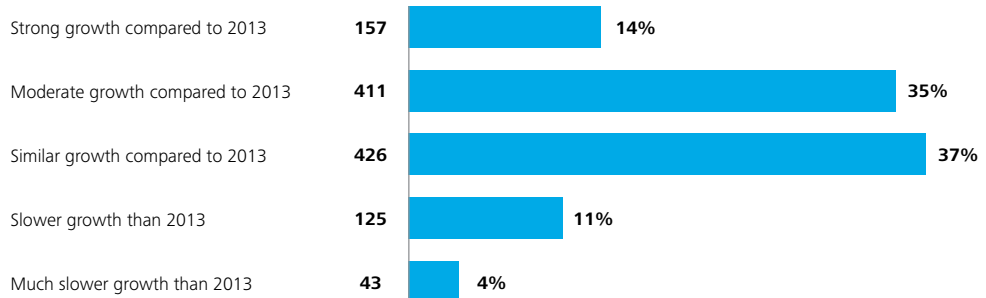
Global Business Outlook

What is your general outlook for business in 2014?



EMEA Business Outlook

What is your general outlook for business in 2014?



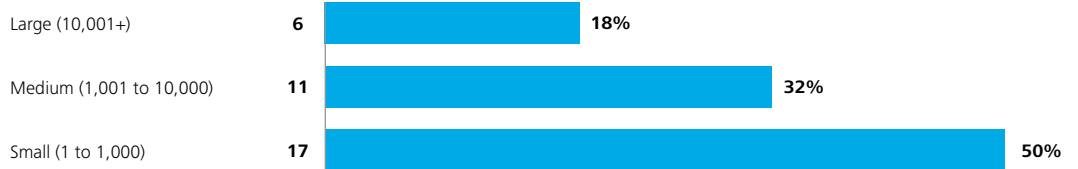
Demographics

A long-exposure photograph of a night sky over a body of water. The sky is filled with numerous curved, blue-white light trails from stars, creating a sense of motion and depth. The water in the foreground is dark, reflecting the light from the stars and the distant shoreline. The overall color palette is dominated by deep blues and whites.

34 Kenyan respondents participated in the global survey. 50% of responses were received from small organisations with 32% of responses received from medium sized organisations. 65% of responses received were from the HR function, while 15% of responses were received from Board level members.

Organisation Size - Kenya

Business Segment



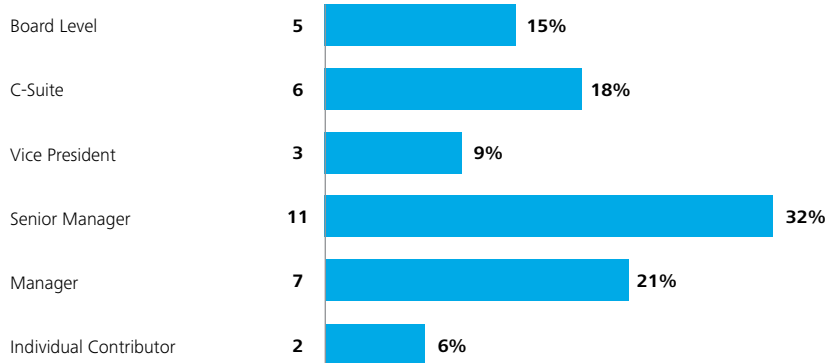
Job Function - Kenya

Job Function



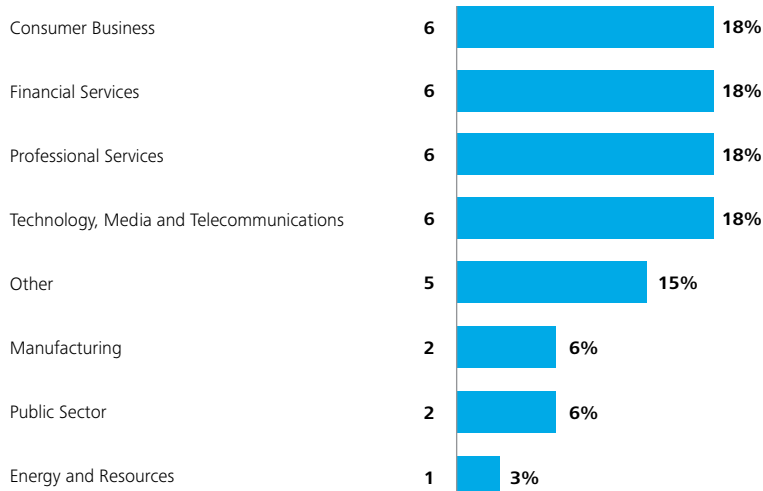
Level in Organisation - Kenya

Level in Organisation



Kenya Industry Group

Industry Group



A long-exposure photograph of a night sky showing numerous curved star trails in shades of blue and yellow. The trails are centered around a point in the sky, creating a circular pattern. The bottom of the image shows the dark silhouette of a mountain range.

Closing Comments

Overall the Top Trends for Kenya follow a similar theme as the global results and the results for the EMEA region, reflecting the increasing globalisation of the talent markets. What this means for businesses in Kenya is that in order to compete and thrive in the marketplace, a new approach to managing their human capital will need to be adopted in order to cater for the needs of the 21st Century Workforce. The global report presents that Businesses looking for growth and competitive advantage must have the confidence to reimagine, reinvent and reinvigorate their talent and HR functions.

It is also imperative for Kenyan businesses to focus attention on the enhancement of leadership capability. To do this, businesses must identify and define the competencies that lead to strong leadership and focus development activities on these key areas.

For Businesses in Kenya, careful and urgent attention needs to be paid to the top five trends highlighted: Retention and Engagement, Reskilling the HR Function, Leadership, Talent acquisition and access and Workforce capability.



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