Roundtable: Unlocking the human potential for business

As part of our CEO Roundtables, *African Business* sat down with a number of private sector leaders from East Africa to discuss strategy and talent management during the recent Careers in Africa Talent Agenda Series. Below are excerpts of some of the key discussion points raised.

Chair: There is a debate as to where HR sits within the organisational structure. Martin I'd like to start with you as a former CEO who oversaw the transformation of a bank, KCB, and who is now a professional coach and adviser. Is HR a strategic or an administrative function?

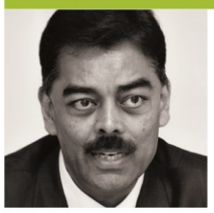
Martin Oduor-Otieno: That sounds like a trick question. The obvious answer to that is that HR is a strategic resource, very much so. It is there to help the rest of the functions to think about the future, and how they can support that through their own expertise. There are obviously functions related to operational performance, and in any structure, their function is to make sure that the admin bits are being performed at the leadership level. But if it's not performing a strategic function then there is no point.

Vimal Shah: I think HR in five years' time is going to be obsolete, because AI is coming in. There's a lot of artificial intelligence, there's a lot of virtual reality coming in, augmented reality coming in. All the servicing you do for your employees will be automated. There'll be self-service desks everywhere where people serve themselves and it gets sorted out. So, that's why it's got to move to a strategic area where you start saying, "Okay, fine. Now, how do we handle the business and what do we do?" Going forward, it's not going to be that a HR person can't become a CEO. An HR person needs to be all-rounder too. I think this is where complexity becomes more simple.

Susan Maingi: Right now, you are obsolete if you're not a businessperson first and then an HR person second, because if you don't understand the business, how are you going to contribute to the strategic discussions of the business? If you don't put yourself in that

The panel

Vimal Shah



Chairman of Bidco Africa, Nairobi, Kenya

Vimal, one of Kenya's most successful businesssmen, is chairman, founder and former CEO of Bidco Africa, a business conglomerate involved in the manufacture of edible oil, detergents, soaps, margarine and baking powder. In his current role he is responsible for the company's growth into new markets and product.

Ory Okolloh

Director of Investments at Omidyar Network, Nairobi, Kenya

Ory is a Kenyan activist, lawyer, and blogger. As director of investments at Omidyar Network she invests in for-profit and non-profit organisations that foster civic participation and increase participation and transparency in government. She was formerly the policy manager for Africa with Google.

Susan Maingi

Director, Corporate Affairs and Communications, Bamburi Cement, Nairobi Kenya

Susan is responsible for public affairs, internal and external communications and driving the sustainability agenda for Bamburi Cement. This includes oversight of Lafarge Eco System, the environmental arm of the Group whose biodiversity and ecosystems management has received international acclaim.

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space, you're obsolete. If you come with the prospect that "I'm an HR person" and you're not talking from the business, revenues, operational data, understanding what is going on from the macro inside the organisation and also the macro externally, you are going to be obsolete. Or you are obsolete.

You have to understand your business and how HR can support, in terms of the skill sets or whatever engagement that you need, and make sure you're resourcing the organisation for the future.

Martin Mugambi: HR is a strategic function that is actually front and centre of how you manage talent as an institution. If I talk from the financial services space in terms of what's happening, there's a little bit of an issue, there's radical disruption. The way we've done business traditionally is not the way we'll do business in the next, five to ten years. So, the skill sets that we tend to look for now in financial services tend to be around data, around data analytics, around predictive engineers and the like.

HR is not only strategic. They have to be a business partner for every part of the organisation, front, middle and back office. We view HR essentially as a business partner. A business partner that should understand the environment in which we're operating in, a partner that understands how the environment is evolving, and more importantly how to resource the organisation, because your most important resource is actually your people. How you manage that is what differentiates who will actually be sitting at the table as you go into the future. So, for us as a bank, and more increasingly as a digitally focussed financial services organisation, HR is very strategic, and driving that resourcing is very important.

Chair: Martin Oduor-Otieno, you mentioned that the role of the CEO is changing and it's a lot more complex than it probably was ten, fifteen years ago? What are the skill sets that you need?

Martin Oduor-Otieno: Today's CEO, the way I see it, is very different to yesterday's CEO, who was barking orders at people and telling them what to do. They knew exactly where the company was going, and they knew where it should go. What I see today is a much more conservative CEO. One that is using a lot of these partners that Martin is referring to, getting people around the table, pulling strategy together and consulting on how their strategies are going to deliver the outcomes that are required and focussing very much on talent. So, I see a lot of CEOs spend a lot more time on what you would call a people agenda.

Chair: Ory, many tech companies grow exponentially. To go from managing an organisation of 100 to managing an organisation of 10,000 is a completely different mindset. How do they manage it in terms of HR?

Ory Okolloh: When I went to work for Google, it fascinated me that every office that you went to, in Warsaw, in Nairobi, in Helsinki, in Tokyo, was the same, not just in looking nice and funky, but in terms of the culture and the people who work there.

When I joined, Google was about 20,000 employees, but Larry Page still signed off each and every hire. This is how central people were to the company. I think maybe he stopped at about 50,000.

It didn't mean he read everything. There was a packet. Sometimes, he just signed it, but the work that went into putting together that packet meant that, because you didn't want to go all the way there and have him not sign, everybody took the hiring process seriously. Hiring was not an HR function. Managers were rated on their ability to hire. It was a committee and there had to be consensus, and people could block and give a reason why.

You were rated on how quickly you turned around your feedback. It was such an important part of the culture and the team, the people you brought in. If you're hiring, you don't want to be the person who brings someone who messes up the team dynamics. It was so central that it was part of the machine. It was not just an HR function. It was, you're building a team, you're trying to achieve a mission, and you need the right people to help this happen.

Another thing that tech companies do very well is that the strategy's not a deep, 26-page document. It's, like, one page. "These are our three goals for the year, or for the next 10 years." Very easy for everyone to get on board, and it cascades down very quickly. It looks complex externally, but internally it's very simple. Everyone knows the role that they're playing. Those are the things that make it simple.

What we're seeing increasingly is the role of AI in recruiting. You press one or two things, go onto your LinkedIn, it pops up, it filters for you, it categorises. That's where we're going. Future entrants into the job market will have to present themselves in a space where it's going to be a machine that gets their résumé to the HR person.

No one has time to sift through 500 CVs. Particularly in our region, we are preparing this group – millennials and below – to present themselves and their talent to be recognised in a world where people are making decisions much faster and based on predetermined filters. I think that's where the complexity is going to come.

Chair: Martin, how are you tracking the best talent out there, and is AI part of the strategy?

Martin Mugambi: It's very important to articulate the level of disruption and innovation that's happening in a lot of industries, particularly in financial services. It means that you cannot continue doing business as you

Martin Mugambi

Group Executive Director, Commercial Bank of Africa (CBA Group), Nairobi, Kenya

As the group executive director at CBA, Martin has overall business responsibility for CBA's subsidiary businesses in Tanzania, Uganda, Rwanda and Côte d'Ivoire. He also has overall responsibility for businesses that CBA runs as subsidiaries in Kenya, including CBA Capital, CBA Insurance Agency and CBA's Digital Bank.

Martin Oduor-Otieno

Founder, Business Advisor and Accredited Executive Coach, The Leadership Group, Nairobi, Kenya

Martin founded the Leadership Group after more than 20 years in the banking sector at senior executive level. He is an accredited executive coach and governance auditor, as well as leadership and governance advisor. The Leadership Group focuses on executive coaching for C-suite leaders.

Teresa Barasa

Public Private Dialogue Manager, Kenya Private Enterprise Alliance (KEPSA), Nairobi, Kenya

Teresa Barasa is public private dialogue manager at the Kenya Private Enterprise Alliance (KEPSA). KEPSA is the private sector umbrella body that brings together the business community as a single voice to engage and influence public policy for an enabling business environment in Kenya.

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have always done it. Today customers want to consume financial services very differently. They do not want to go into a branch, they do not want to line up, they do not want to carry cash.

So, customers' lifestyles and behaviours are changing, and that's what's driving change. So, as we talk about change, we've got to talk about innovation. We've got to talk about how we're responding to that innovation, and driving all this is that relentless customer focus.

If you look at how Alibaba today is operating, if you look at how Amazon is operating, at the centre of all these business models is a relentless customer focus and how to deliver the customer experience and the solution in a very efficient way. The organisation of the future, including the HR function, has got to look at how the customer is changing. Once you've started with the customer, you then bring in the rest of the organisation.

At CBA, we're a bank, but we're a bank with a technology company embedded in it. We've got 35m customers across five markets, and these customers consume our financial services primarily through the mobile phone. If you don't have a mobile strategy, a mobile and digital strategy that you use to deliver to your customer, irrespective of whatever industry you're talking about, you're not focusing on where the future is going.

So, how do you prepare for that future? That's really the digital economy or the knowledge economy future. One, you have to look at what we're churning out of the colleges today. We've got more the traditional degrees. We've got more the traditional focuses in terms of coursework.

What we actually should be looking for is partnerships where we can graduate data scientists, data engineers, resources that can actually focus on using data to improve the customer experience and to improve the solutions that you actually provide to customers. We have to think about how we partner with different providers of these educational programmes.

We've got a number of iHubs in Nairobi, whether it's iLab at Strathmore, CyberComb at JKUAT, that produce more relevant skill sets that prepare our companies and prepare people for the digital future that's virtually inevitable. Coming back to financial services, delivery is from different channels. Not the traditional channels, but different channels that actually enhance customer experience. What we actually need is the skill sets to go along with the different channels that are coming into play and that are delivering the different solutions to customers with very heavy focus on technology.

Technology itself will never be a strategy. It's an enabler to the right strategy. So, looking at the different industries that are represented here on the table, you have to ask yourself, what industry am I in? How do I focus on my customers? How do I then leverage technology to actually deliver a better customer experience? At the heart of all that is really starting with the customer.

Does that mean you're hiring data scientists as opposed to risk managers?

Martin Mugambi: We can't find enough data scientists to hire. We have 35 million customers today. If you go to your phone and go and get a loan, that loan is approved within five seconds using data, data analytics. Data that I get from your mobile number, your ID, and I have a credit score generated within seconds.

So, I don't look for security to make that credit decision. I'm making it based on data. So, the skill sets are changing, and my requirements as an organisation actually are tilting towards knowledge-based skill sets. We are partnering with different providers, whether it's centres of excellence or academies, to try and generate a pool of people that can service us and other partners in this data world.

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Future entrants into the job market will have to present themselves in a space where it's going to be a machine that gets their résumé to the HR person.

Above: The panellists assemble along with session moderator Omar Ben Yedder (far left) and Rupert Adcock, CEO of Global Career Company (far right).
Opposite: Panellists Susan Maingi (left) and Vimal Shah (right).

Chair: Susan, you operate in an industry that's very different to Martin's. How are you seeing tech affecting you and impacting your business over the next five, ten years?
Susan Maingi: We're a very traditional business operation. In the construction sector, we've been laggards in this space, but I'm happy to say we recognise that we have to move from being a cement operator to a solutions provider for the customer. What does that mean? It's products or services we provide, investing in the whole data and IT space and partnering with financial partners who can help us build that network.

We're pioneering what we call an m-service on a mobile app where you can order on your app, pay on your app, and get the delivery from your app. You just go on the app.

The core is also making sure that you're not an engineer, but you're an entrepreneur first, because if we don't have that entrepreneurial mindset built in all of us, we won't be able to evolve as quickly as this. We have to move from the traditional way of thinking to this new thinking, and that's how we're going to break through in the next five years or so.

Chair: In terms of training at your company, which operates in many countries, is the focus of the training here in East Africa and Kenya different to what it is, for example, in India, China or Europe?
Susan Maingi: Being in a multinational, there's some training which is standard globally, whether it's some technical training or some global training in leadership and management, but locally there's some specific local training that you have do to fit in your environment. In Kenya we've lost the technical competencies, the vocational skills. You cannot get a plumber in Kenya anymore. All the vocational, technical schools have been converted to this elusive dream of all of us being a graduate.

So, for us, the biggest element is how do we build and rebuild on the vocational skills and build those skills to meet our local requirements of being a fitter, a plumber, because those are the critical skills going into the future.

How we build that is you have to invest. You have to go into partnerships with those few polytechnics that there are and to support them to be able to build on this. We also have a local programme we call the Builders' Academy for what we call masons, where we're trying to do our bit to build that skill as well in basic construction, and partnering with local authorities to do that.

So, yes, there is standard training and a

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technical programme which is local, but you must as a company also build your own local competencies to meet the local environment that we operate in, but it's difficult.

Especially we see that in Kenya. It's an issue we have to deal with, because there's also an attitude issue, that it's a degree, it's a certificate. Even as an HR resource, we also do the same thing. You know, we look at the person and we're, like, "Oh, you don't have a degree? You don't have a Master's?" But you don't look at the person's competence, attitude, ability to learn, which are just as important as well.

Chair: Martin, you alluded to it, and Vimal, you were speaking about this before, but you said that the lifecycle of an employee, as a return on investment, needs to be ammortised in the first three years, because an employee is likely to be moving jobs every three years or so in today's world…which makes things harder to manage.

Martin Mugambi: I think it's an important subject to discuss. Whereas in the past you went to a university, you got a degree and then you came and applied for a job and you got a job for ten, fifteen, twenty years. Your same knowledge worked for you for ten, fifteen years, because the change was not that rapid. The mode of thinking should be when you've got a university degree it's the ability to think on your feet. Like the global financial crisis when it happened.

What is important is the learning must be faster than the change. As long as that's happening, it's going to be learning by doing, on the job. So, a lot of on-the-job training Today, bankers are not hiring banking professionals, they're hiring architects, because they're looking for competencies.

Chair: Ory the way I read this, it's not necessary about the skills, but about mindsets. I was surprised to read that you actually went to law school, because I identify you as a sort of a techie and computer scientist, computer engineer.

Ory Okolloh: Yes. I couldn't code to save my life. Never did anything in tech. I worry when I see the conversation, like in Kenya, about skills. You know, we've shifted our education towards jobs. Nightmare. I worry that, even as an HR community or as corporates, we've ceded the conversation around education to bureaucrats and, sort of, to government. I benefited a lot from a liberal arts background education. It's no coincidence that Silicon Valley is around a university, and it's not around a tech university. It's around a liberal arts university. Stanford is liberals arts. MIT has a strong liberal arts programme. You don't go there just to learn how to code. You go there to learn how to think. [In Kenya], we've said, 'Ok, this is how many unemployed people we have. This is how many jobs we need. We think we need manufacturing and big growth

and let's shift the curriculum to fit this.' Our competitors are not doing that at all. India is not doing that.

China, when you talk about Alibaba and infrastructure and all this, where do you think they found the people to build that infrastructure? China invested massively in education. I was in the UK a few months ago, all I saw there were tours of kids from Asia, thirteen, fourteen, coming to spend their summers there. Very concerted effort around exposure, around how to be global citizens, around how to think. No African country is doing that.

So, the mindset is very important, and it drives me crazy when I hear 'skills' in terms of education. I worry that we, those of us who are running organisations, who are looking for people and we're struggling to find them, have completely removed ourselves from those conversations around how we're preparing this next generation and it's not skills.

I understand that there's a vocational element to it, but underlying that is education. That's why when you hire these young kids, they can't write. They can't write! I've had interns, and I go nuts, because I'm just, like, red-lining everything. They can't write. They can't communicate. They have everything else. They are courageous, they are curious, but the time you're spending on basics and EQ, emotional, how to read a room, how to do all these things is a problem. We're falling so far behind. Machines, AI, all of this, the input at the end of the day is still human. I would urge as industry professionals not to remove ourselves from conversations around education.

Chair: Teresa, the concerns that are being voiced here, are they common from the private sector? You present the voice of the private sector to government. Is this what you're hearing? Is it familiar?

Teresa Barasa: What we get as the voice of the private sector is that the market is lacking in terms of the right skill set, the right people to do the job, the right people to get us there.

As a country, we have a policy direction, we have a blueprint that aspires to see Kenya grow at 10% per annum. That's the vision for 2030. At the same time, we have this short-term, five-year Big Four plan, but as we are planning for this, we seem not to plan for the people. We have the plans in our minds, we have the plans in our heads, but we have no plans for the people, so what we eventually have is nonexistent plans, unimplemented plans and essentially just plans that are waived for political expediency.

So, as we engage with the government through various political forums, various

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HR as a function should really not be internally focused as an outcome. Fifty percent internal, but please understand the customer.

Top letf: Martin Oduor-Otieno, former CEO of Kenya Commercial Bank (KCB), is credited for turning the bank round. He says that the CEO function today is much more complex to what it was and requires a complete different set of skill sets, with a stronger focus on managing and inspiring people.

Above: Ory Okolloh is often referred to as Kenya's 'tech-queen'. However, she credits her success to her liberal arts education. She feels too much emphasis is being put on skills as opposed to learning how to think and solving problems.

engagement forums, we see that they have policy reforms that are able to show that our businesses remain competitive, that the environment is conducive, we have the right people in place, that there is that collaboration within academia with the government, with the private sector, with the civil society to have the right people to take us forward as a nation. Without that, everything will just remain a shopping list.

Chair: Martin, you advise some of Kenya's leading CEOs and you sit on many boards. In terms of HR, what's the problem that takes up most of your time?

Martin Oduor-Otieno: To the HR partners – please reinvent yourselves. HR is not about processing payroll and things like that, it's really about understanding the customer. If you understand the customer and the business that you're in, you will then be more relevant to the rest of the internal stakeholders. HR as a function should really not be internally focused as an outcome. Fifty percent internal, but please understand the customer.

There are a lot of changes in the industry, innovation, disruption, you name it. To be a competent HR partner is to be a very strong business partner.

I've come across some excellent HR professionals in some of the boards where I sit. What I see in those professionals which distinguishes from other HR people that I also meet is that they are all-rounders. They actually have moved out of their comfort zone as HR and administrators, and they are very much part of the business.

They understand. If I'm in the sales organisation, the HR people talk to me in the boardroom about sales, and they talk about products, and they don't only tell me there are X number of people in this department. So, therefore, I really want to tell HR professionals to gain knowledge very broadly at an organisational level.

Susan Maingi: Be a businessperson first and a HR person second. Don't be afraid to take risks and operate outside your paradigm. What we see is we stay in a comfort zone. We check off a box in terms of criteria when selecting talent. We look at talent from a box ticking perspective but don't take the risks where maybe the individual will not the have the full plate in terms of qualifications.

Then from a perspective of the competence, business mind, ability to learn, take that risk on them and investing in them. Understand the customer, understand the macro environment that you're operating in, network, and then bring those practices to the organisation.

Vimal Shah: I think hiring should be made in terms of who are those people who are passionate, not just because of degrees or whatever. People who are passionate about making a difference and really making things happen. With that, learning has to be continuous. I think continual learning is a given. In the past, you could be consistent, but now it's all about "change is the only constant". It's moved to "disruption is the only constant", and therefore be ready for disruption at any time, and really let people whom you employ know that you could be disrupted every year, so be prepared for that.

It's not about having a lot of fear. It's about being prepared for it and saying, "Fine. I will change myself all the time." The minute we change ourselves, we change our companies, it's going to be a fantastic thing. HR is not going to be completely obsolete. It's going to change its role. It's going to use AI, machine learning and all that in order to get, you know, to the next steps.

Chair: Ory, what would you like to see change from the HR perspective in terms of the voice of the young and the voice of women in the decision-making process?

Ory Okolloh: The young folks I work with, both within Omidyar and outside in other spaces, are eager to learn and are very adaptable. As an HR professional, you're living in an amazing world where everything is accessible to you. You can go onto the internet, learn, read, watch YouTube videos.

Think of the opportunities for you as professionals to learn and see all the trends. Lots of good HR professionals are writing books now on how to do things, and not just textbooks, but also online workshops that the youth can relate to. By learning, and by being adaptable, you're able to attract and get the most out of these young people, who I think are very talented and just need to be inspired. I think they look very much for that.

In terms of the gender question, it's less just about the numbers for me. You can say, "Okay, we're going to find and hire women, have women on the board," but if you've not changed your culture as an organisation or as a board, it's meaningless.

Kenya is very misogynist. As HR people, think not just, "Okay, we have maternity leave. Check. We have a breastfeeding room. Check." You're focusing a lot on the infrastructure side of it. Are you thinking about the cultures that you're bringing these women into? Both for women and men, "Is there just a healthy workplace environment?" is how we're thinking about it.

The last thing I would say is about adaptability culture and managers. No one is born a natural manager. You need to learn how to be a good manager. Most people, especially young people nowadays, quit bad managers. So, I think invest. The companies that are very successful spend a lot of time building the internal management and giving them the skills that are needed to be good managers. ■

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