

IT Workforce Planning Practices in Kenya

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Abstract: With looming talent shortages and the mainframe era IT staff retirement, workforce planning is necessary in order to maintain business continuity. Without a dedicated workforce plan, CIOs and business leaders will be unable to meet the business requirements of the future. To 46% of business leaders, workforce planning is a top priority, yet only 13% do it effectively (Info-Tech, 2022a). The aim of the study is to provide a guidance on best practices in workforce planning to all the organizations in Kenya. The findings are that some organizations in Kenya have executed and implemented best practices in workforce planning. There is a positive relationship between good workforce planning practices and business performance.

Keywords: Strategic Workforce plan, Talent management, Skills, Skills gap, HR Analytics

1. Introduction

Managers should hire the right candidates at the right time by identifying the roles and competencies, trends, and strategic initiatives that will enable them to achieve the business strategy. Managers should right-size the effort they put into the plan by fiercely prioritizing roles and initiatives to ensure the effort and strategic fit match the benefits. Talent is the new human capital and businesses are competing for growth and sustainability by acquiring the best talent. Talent becomes the differentiator.

The five-step process to build an SWP:

- Build a project charter
- Assess workforce competency needs
- Identify impact of internal and external trends
- Identify role impact of strategic initiatives
- Build and monitor the workforce plan

IT organizations often struggle due to a lack of experience in developing strategic workforce plans. Having the right talent in place is usually a reactive process. Organizations do not look ahead to determine talent requirements and do not assess workforce trends to meet strategic business objectives. The general problem is that organizations do not have strategies to develop workforce plans. The specific problem is that business managers in Kenya lack strategies to develop workforce plans.

2. Literature Review

Strategic workforce planning (SWP)

Strategic workforce planning (SWP) is a systematic process designed to identify and address gaps in today's workforce, including pinpointing the human capital needs of the future.

Linking workforce planning with strategic planning ensures that managers have the right people in the right positions, in the right places, at the right time, with the knowledge, skills, and attributes to deliver on strategic business goals.

SWP helps managers understand the makeup of the current workforce and how well prepared it is to meet the future IT requirements. By identifying capability gaps early, CIOs can prepare to train or develop current staff and minimize the need for severance payouts and hiring costs, while providing clear career paths to retain high performers (Robert Half, 2022).

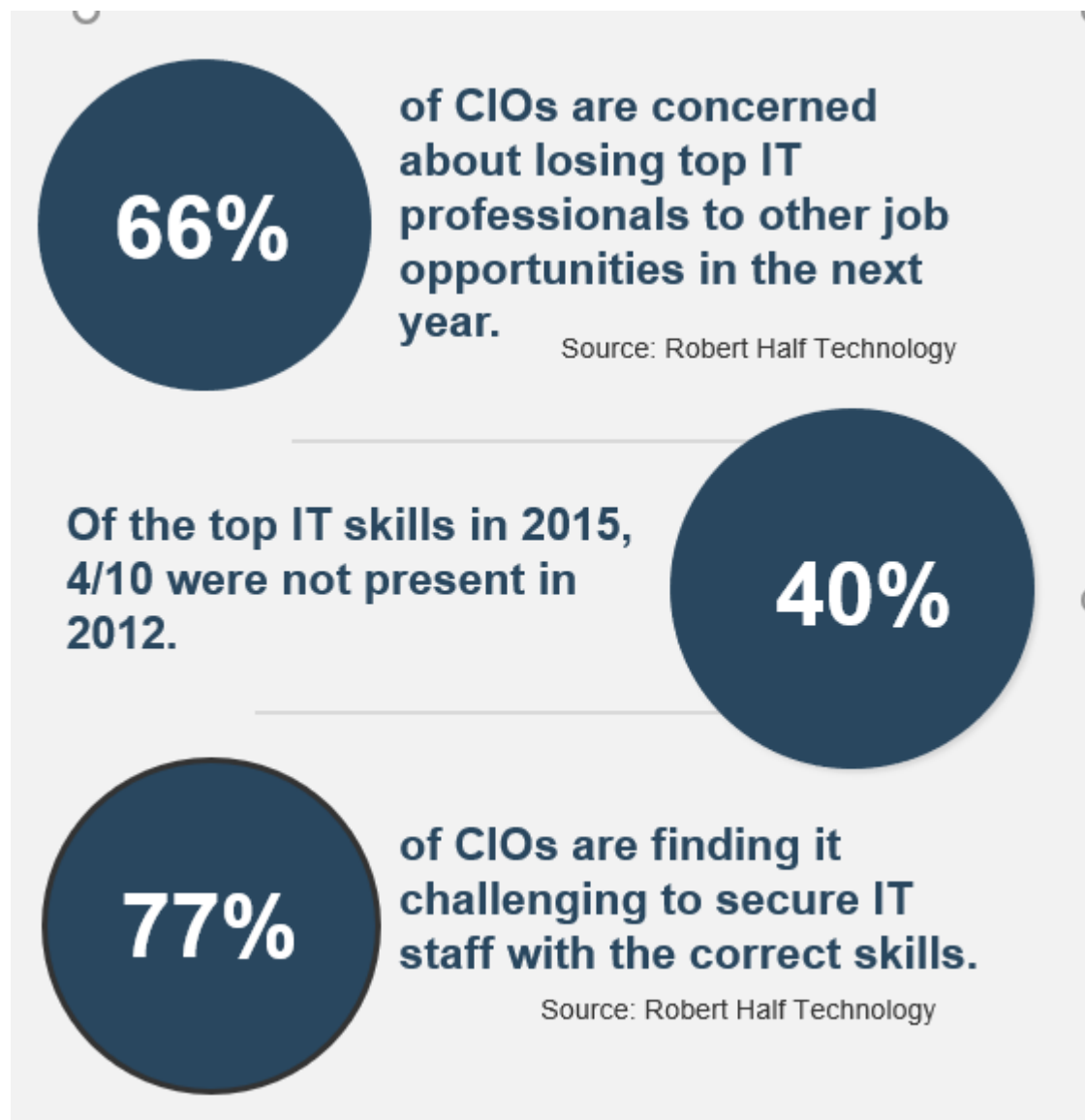


Figure 1: Workforce trends. Source: (Robert Half, 2022).

Workforce planning increasingly important for maintaining IT service and success. A study by the Institute for Corporate Productivity found that High-performing companies are twice more likely to do workforce planning and are five times more effective at workforce planning. By leveraging a workforce plan, high performing organizations are able to mitigate the risks (I4cp, 2022).

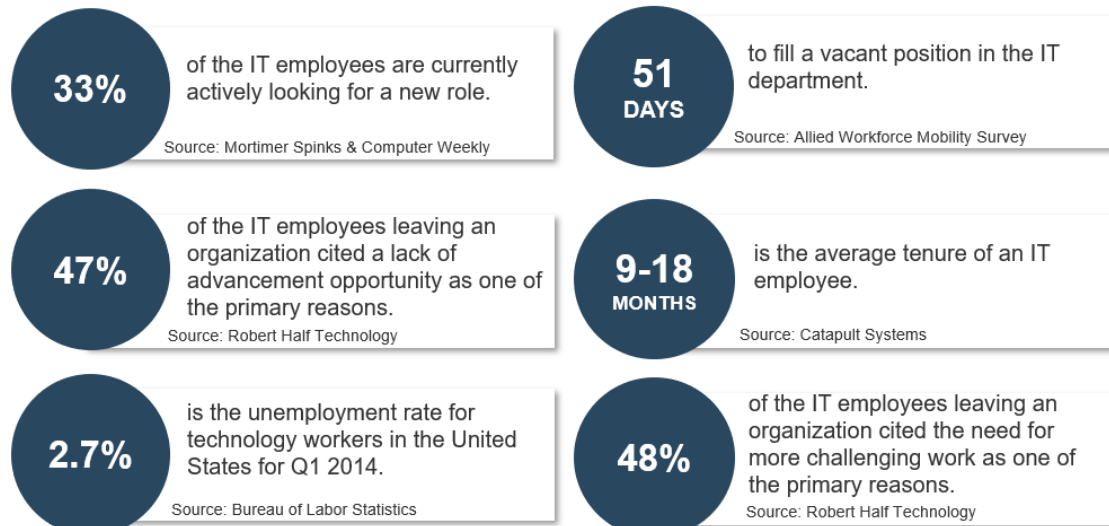


Figure 2: Risks from lack of SWP. Source: (Robert Half, 2022).

Benefits of an SWP

The five benefits include, improving budgeting decisions; limiting talent gaps; improve client satisfaction; internal staff promotions; and increasing the hiring effectiveness (Thetrainingassociates, 2022).

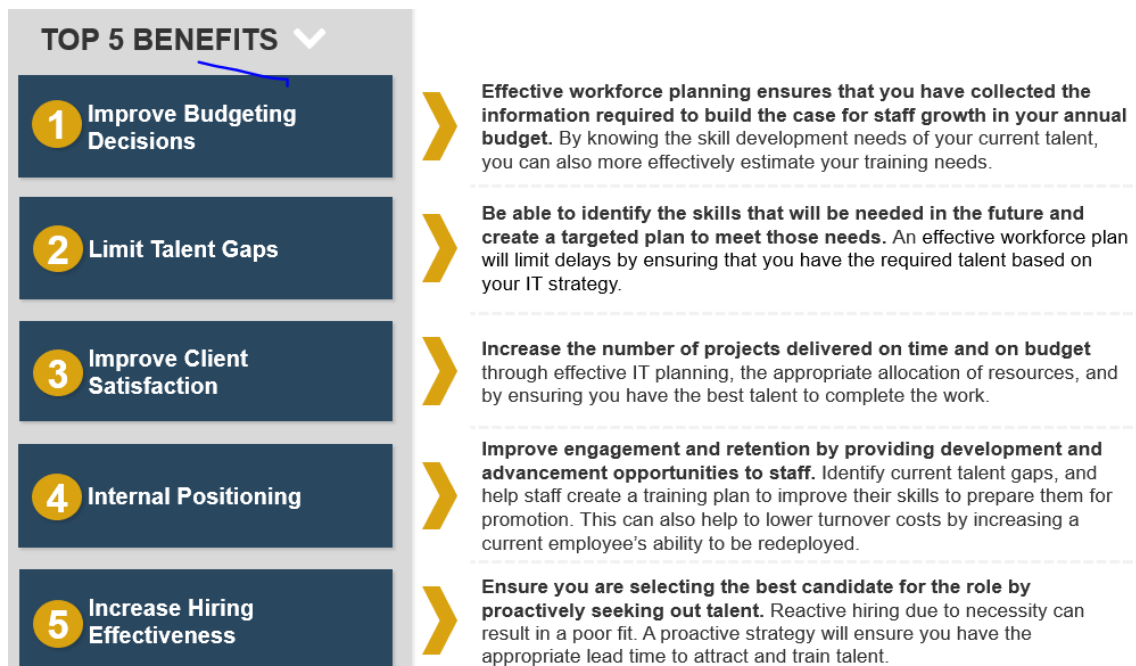


Figure 3: Benefits of an SWP. Source: (Thetrainingassociates, 2022).

Risks mitigated by a strategic workforce plan.

The risks mitigated include Not meeting strategic objectives; High turnover in the first year; Waste of time on misaligned initiatives; Missed opportunities on projects and innovation; Waste of manager's time on performance issues; Waste of employee's time.

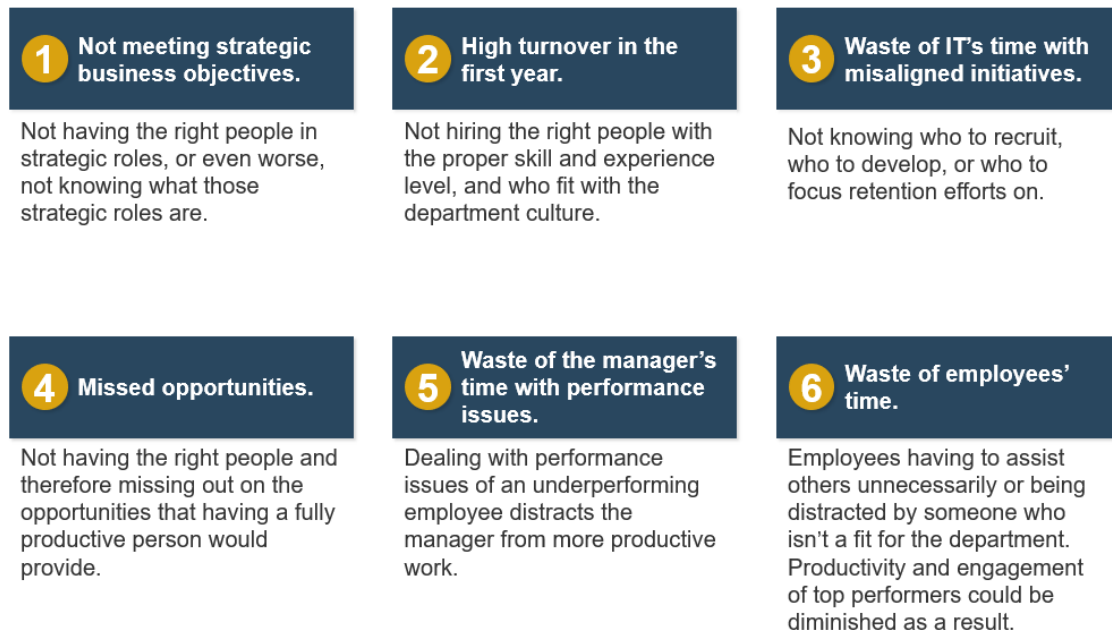


Figure 4: Risks mitigated by an SWP. Source: (The training associates, 2022).

Link Between an SWP and Systems Failure.

A system failure to a mainframe could be disastrous for organizations that have a workforce gap (Infoworld, 2022). The outlook is also bleak when considering failures to key processes, customer/vendor relationships, legal requirements, and homegrown solutions in the organization (Bloomberg, 2022).

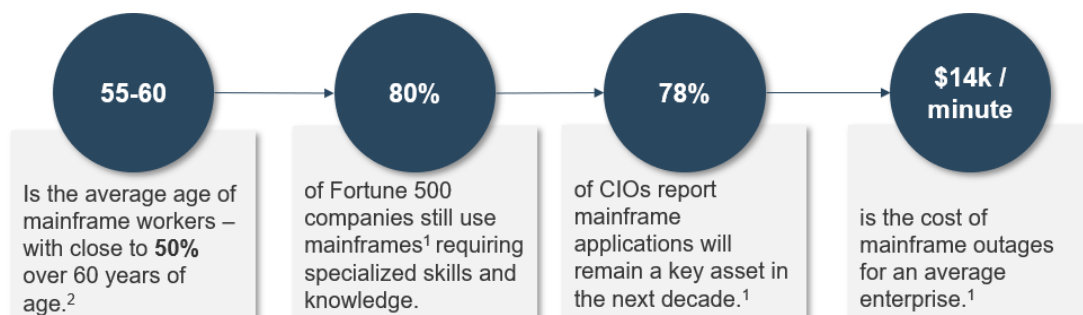


Figure 5: Systems failure and SWP. Source: (Infoworld, 2022).

IT strategy, Future organizational structure, and Resourcing.

The workforce plan is only as good as the data put into it. In order to create a forward reaching plan, managers need to understand how the IT organization will be changing in upcoming years. Without this, managers can only plan to fill for growth and vacancies. On its own, planning for growth has value if managers have long hiring cycles, but having the plan tied to the strategy will product significantly more value.

Project Overview for building a strategic workforce plan.

Managers need to initiate the project, then analyze workforce needs and finally build and monitor the SWP. They need best practice toolkits, guided implementations and onsite workshops with the relevant stakeholders.

1. Initiate the Project	2. Analyze Workforce Needs	3. Build and Monitor the SWP
1.1 Determine Project Fit 1.2 Define Your Goals and Charter	2.1 Identify Role and Staff Competencies 2.2 Analyze Internal and External Trends 2.3 Determine Future Workforce Landscape	3.1 Build and Monitor Workforce Plan
- Scoping call to establish the relevance of this project for your organization - Discuss your current state assessment and project plan	- Discuss your organization's culture and identify role and staff competencies - Determine impact of internal and external trends - Determine the workforce implications and discuss gaps	- Identify projects to address gaps in workforce plan - Review metrics and determine a schedule for the review of key initiatives
Day 1: Identify project goals, metrics, and current state	Day 2: Workforce assessment and blueprint Day 3: Environmental and gap analysis	Day 4: Prioritization and action planning Day 5: Implementation, integration, and continuity planning
Phase 1 Outcome: - Determine the cost benefits of completing the project - Identify goals and metrics for the project	Phase 2 Outcome: An understanding of the future workforce landscape and a set of talent gaps to address	Phase 3 Outcome: - A roadmap to fill high priority talent gaps - A well defined strategic workforce plan for the IT department

Figure 6: Project overview for SWP. Source: (Info-Tech, 2022a).

Targeted structure and critical roles.

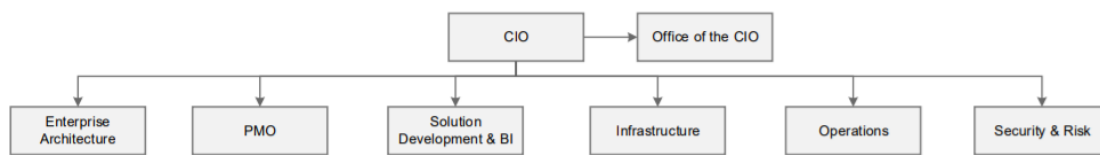


Figure 7: Critical roles in IT.

The critical roles in IT are in the areas of enterprise architecture, projects management, business analytics and intelligence, infrastructure, operations and service desk, cybersecurity and risk. The enterprise architects develop open application programming interfaces (APIs) to fuse all applications together for data sharing. This used to be accomplished using Enterprise Application Integration and Enterprise Service Bus tools in previous decades.

The Projects Management Office ensure that strategic initiatives are delivered on scope, schedule, cost and quality. The business analytics applications provide insights to the boards and management to ensure that all decisions are data driven and consistent with the vision of the enterprise.

The infrastructure supports business critical applications and can be hosted on premise or on the cloud. The cloud can further be categorized as private, public or hybrid. The operations are aligned to the IT service management (ITSM) best practices and ITILV 4 to ensure that IT becomes customer centric and responsive. Cybersecurity and risk roles ensure quality data and maintains the confidentiality, integrity and availability of the information.

Deloitte Strategic Workforce planning solutions.

Deloitte solutions are comprehensive as look into the four domains of Labour Market, Current Available Skill sets, Internal Business Needs and Internal Labour Trends (Deloitte, 2022)

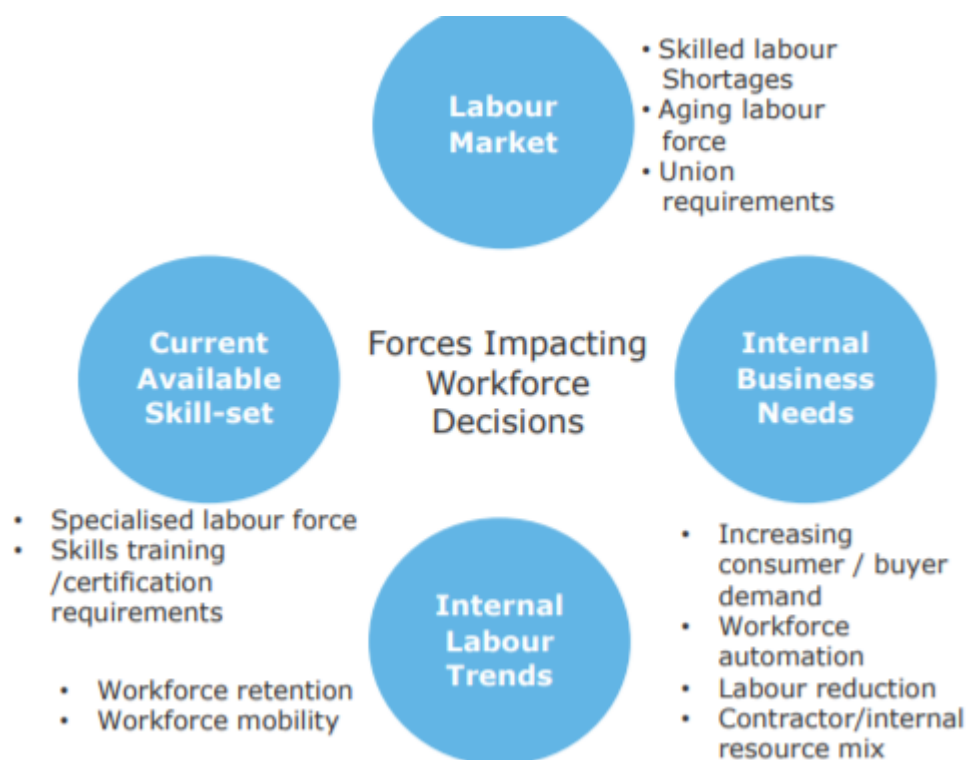


Figure 8: Four Domains. Source: (Deloitte, 2022)

The solution includes tools for analytics, smooth integration, real time interactions, editing and summary reporting.

3. Research Methodology

The research design was the qualitative case study. This design allows the researchers to carry out detailed analysis of the phenomena by close observation. Interviews and observation were used to collect data. The benefits of this design is that it turns observations into operational data. It transforms opinion into fact. It is relevant to all the parties involved. The participants were the HR professionals from the selected cases (Yin, 1994).

4. Data Analysis and Presentation

Human Resources for Health in 47 Counties

In 2013, Kenya devolved health services to 47 county governments under its new constitution. Kenya created an inter-county, multi-stakeholder human resources for health

(HRH) coordination framework that promotes synergy in to a devolved HR management. The health ministry has been at the forefront of creating workforce plans.

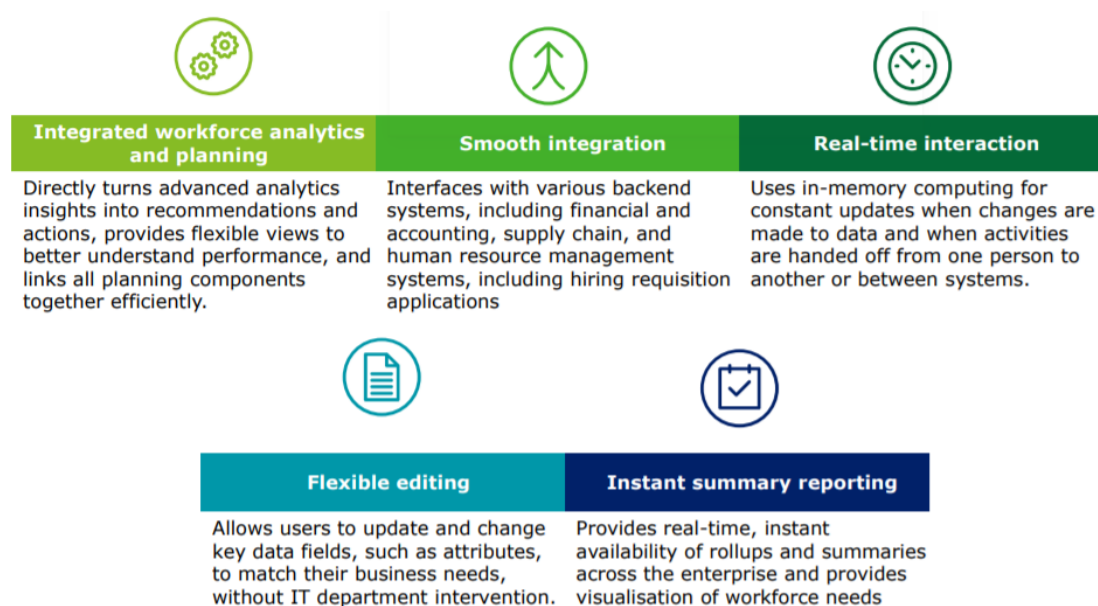


Figure 9: Workforce Analytics. Source: (Deloitte, 2022)

Through USAID funding, IntraHealth International built the health workforce management capacity of county governments by strengthening coordination mechanisms at the national and county levels. Inter county groups link to the national level for capacity building, policy formulation, HRH regulation, and provision of standards. Counties own the forums and contributed about US\$85000 to date toward expenses.

Successes gained through the inter-county forums include hiring over 20 000 health workers to address shortages; expanding the national HR information system to all 47 counties; developing guidelines for sharing specialist providers; and establishing professionalized HRH units in all 47 counties (Thuku, Muriuki, Adano, et al., 2020).The same case applies for the Human Resources for IT.

Kenya Bureau of National Statistics.

The ageing workforce challenges at the Kenya Bureau of National Statistics (KBNS) required the need to revisit the status quo on the recruitment and retention strategies as well as succession planning and talent management practices within the organization. KBNS had set about addressing the workplace demographic challenge by involving employees to become more reflexive in their engagement within the organization.

The challenge of an ageing workforce is not common occurrence in Kenya. Using an internally generated SWP with a view to changing the status quo is a demonstration of organizational learning and employee buy-in (Madichie, & Nyakang'o, 2016).

Private and Public Sectors in Kenya.

It is the human capital that makes the difference. Developing talent is the key priority. The organization of the future looks like the one that exists post the pandemic. It will need to be more flexible, less hierarchical, and more diverse. Workforce planning forms the critical success factor envisaged by all the companies in Kenya. The talent needs to be developed in

hard and soft skills. The hard skills include the IT skills and engineering. The soft skills include the public speaking, effective communication and developing the emotional intelligence. The private sector has a young demographic in the employee fraternity. The age bracket is between 20 and 40 years old (PwC, 2022a). The public sector on the other hand has an age bracket between 40 and 60 years old. The youth in the private sector has the requisite skills in IT and innovation, The older population in the public sector lack the modern skills in IT but have the emotional intelligence required to make the long-term decisions (PwC, 2022b).

Safaricom Mpesa Foundation Academy.

The MPESA Foundation Academy a co-educational and residential High school fully sponsored by the Safaricom foundation. It is guided by entrepreneurship, technology and innovation. The Academy serves talented but economically disadvantaged students with demonstrated leadership potential (MpesaFoundationAcademy, 2022). This is a great example of how Kenya can develop talent in the technology that results in practical skills needed in the fourth industrial revolution. The skills for 4IR are cybersecurity, analytics, AI, Machine learning, IoT and Blockchain.

Safaricom SWP

Safaricom is the largest company in Kenya in terms of market capitalization and profitability. They have leveraged SWP and talent development to sustain this profitability and growth. They are committed to sustaining a healthy workforce (SDG 3) entrenching skills development to the employees and the youth of Kenya. They cultivate a diverse and inclusive workforce and we have targets for women in leadership and persons with disabilities (SDG 8 & 10). The SWP ensures personal growth and business performance. The SWP enables a digital organization that puts the customer first (Safaricom, 2022).

Table 1: Safaricom labor market map.

Internal labour market map

		Female employees			Male employees		
		Snr Mngmnt	Mid. Mngmnt	Entry level	Snr Mngmnt	Mid. Mngmnt	Entry level
Hires	FY20	4.6%	4.2%	1.8%	2.5%	7.7%	3.8%
	FY19	2.1%	5.4%	6.4%	2.9%	6.7%	11.0%
	FY18	7.8%	6.4%	-	5.3%	7.8%	25.8%
Internal mobility	FY20	6.5%	1.6%	0.7%	5.6%	2.3%	0.9%
	FY19	2.1%	4.6%	6.2%	7.3%	3.9%	7.8%
	FY18	1.1%	5.3%	2.1%	-	-	-
Laterals	FY20	10.2%	8.7%	2.0%	9.6%	7.0%	1.3%
	FY19	15.5%	5.7%	2.3%	11.7%	6.3%	1.9%
	FY18	17.8%	10.5%	2.6%	9.2%	7.4%	2.4%
Voluntary exits	FY20	1.9%	2.9%	3.3%	4.1%	4.1%	3.2%
	FY19	6.2%	2.8%	2.4%	5.8%	3.4%	3.0%
	FY18	7.8%	4.2%	2.7%	4.9%	4.2%	3.6%
Total exits	FY20	2.8%	3.4%	4.5%	5.1%	4.9%	4.8%
	FY19	9.3%	3.6%	5.2%	8.3%	7.0%	5.9%
	FY18	7.8%	4.7%	5.7%	5.8%	5.2%	8.3%

Safaricom ensures that employee morale is maintained to high levels and turnover is reduced. This is because they inculcated workforce planning is embedded in all business cycles.

Table 2: Employee engagement. Source: (Safaricom, 2022).

Employee morale				
	FY20	FY19	FY18	FY17
Employee Engagement Index (%)	89	96	90	84
Manager Engagement Index (%)	89	84	87	85
Staff Turnover Rate (% of total workforce)	5.0	5.7	5.4	5.2

Safaricom has leveraged an e-learning platforms and the digital academy to ensure that employees are developed and execute the guidelines from the workforce plans. They cut back on classroom based learning and shifted perceptions from seeing training as something that they do 'away from the desks' to part of the daily job.

Table 3: Training and career development. Source: (Safaricom, 2022).

Training

	FY20	FY19	FY18	FY17
Investment in staff training (KSh million)	273	310	298.7	298.7
Percentage of staff attending training	81%	83%	83%	79%

They launched the Safaricom Business School in October 2019. They aim to achieve a license activation of 90 per cent, and an average of 40 learning hours per employee delivered.

Safaricom established the Digital Academy to enable employees to reskill and learn the digital skills were have prioritized as part of the transformation to being the digital services provider of choice. All the 60 employees from the previous cohorts have transitioned to digital roles within the company to encourage the application of the skills learnt and career growth.

The graduate management programme has helped unlock potential. It is designed to prepare future leaders to assume challenging responsibilities and roles. Employees become functional experts in different areas, such as cyber security and data science.

Equity Bank

Equity bank is the largest bank in Kenya in terms of customer base. It is also number two in terms of assets. To sustain that leadership position, Equity leveraged the workforce plans to great effectiveness. All employees have a specific development plan. This starts from the board to the shop floor. The workforce plan is embedded in the sustainability strategy and included in the sustainability report. The digital plans emphasize the need for a workforce plan to transform the bank into a digital business. The new business model that included regionalization to Pan Africa and diversification into the Life insurance business has the workforce plan as a critical success factor (Equitygroupfoundation, 2022).

KCB Bank Group

KCB is committed to sustainability and executing a work force plan. Sustainability is about ensuring long term success while contributing towards economic and social development, a healthy environment and a stable society. Sustainability is anchored in 4Ps i.e. Planet, People, Probity and Profit. By leveraging on a sustainability and workforce plan, KCB has been able to achieve great success including being the regional banking leader in terms in assets.

5. Conclusion and Recommendations

Kenyan organizations need to take workforce planning to the next level if they are to compete in the digital economy. The world economic forum noted that talent and workforce planning are the pillars that make governments and organizations competitive and sustainable.

Managers must plan around the conditions the global labor market can be supported towards a new equilibrium in the division of labor between human workers, robots and algorithms. The technological disruptions are currently accelerated and amplified alongside the COVID-19 recession.

Businesses are set to accelerate the digitalization of work processes, learning, expansion of remote work, as well as the automation of tasks within an organization. There is urgency to address the disruption underway both by supporting and retraining displaced workers and by monitoring the emergence of new opportunities in the labor market.

Governments must adopt a holistic approach, creating active linkages and coordination between education providers, skills, workers and employers, and ensuring effective collaboration between employment agencies, county governments and national governments.

There is the need for the multistakeholder collaboration between companies looking to support their workforce; governments willing to fund reskilling and the localization of citizens; professional services firms and technology firms that can map potential job transitions or provide reskilling services; labor unions aware of the impact of those transitions on the well-being of workers; and community organizations that can give visibility to the efficacy of new legislation (WEF, 2022).

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