



**Assessment of Cross-Industry Skills Development
Initiatives In the East Africa Community and Zambia**

–Final Report–

December 10, 2013



THE PARTHENON GROUP

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Project Overview

Project objectives and approach used to assess cross-industry skills development initiatives in E. Africa

Project Objective

- To identify skills gap, training needs and existing cross-industry skill development initiatives among financial service providers in E. Africa
- To identify existing cross-industry skills development initiatives in International markets
- To develop potential solutions for cross-industry skills development for E. Africa financial service sector

Project Approach

1 Study of cross-industry skill development solutions in financial sector in other International markets

- Are there examples of cross-industry skills development solution in other international emerging and developed financial markets?
- What are the key characteristics of the industry that has supported the development of these solutions?
- What are the key success factors of these solutions?

2 Study of the requirements and perspectives of financial service providers in E. Africa

- What are FSP's skills and training requirements?
- Where and what challenges do they currently face in training?
- Is there a need for a cross-industry skills development initiative in E. Africa?
- What are FSPs views on participating in a collaborative cross-industry skills development initiative?

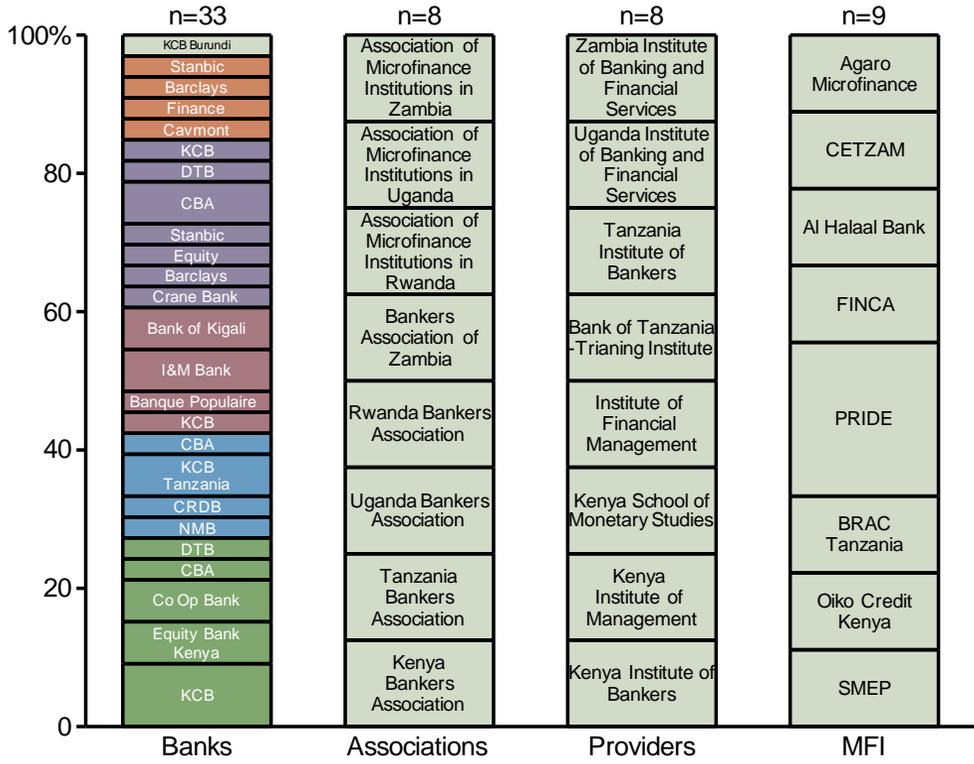
Potential Solutions and Next Steps

- Potential solutions for cross industry skills development and feasibility of the potential solutions
- Potential role of relevant industry participants and FSDA in the development of a cross-industry skills development solution
- Potential next steps for relevant industry participants and FSDA

Project Overview

Parthenon has conducted 58 stakeholder interviews in Kenya, Tanzania, Uganda, Rwanda, Zambia and Burundi

Interviews Conducted By Parthenon



Note: Only 1 interview has been completed in Burundi
 Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

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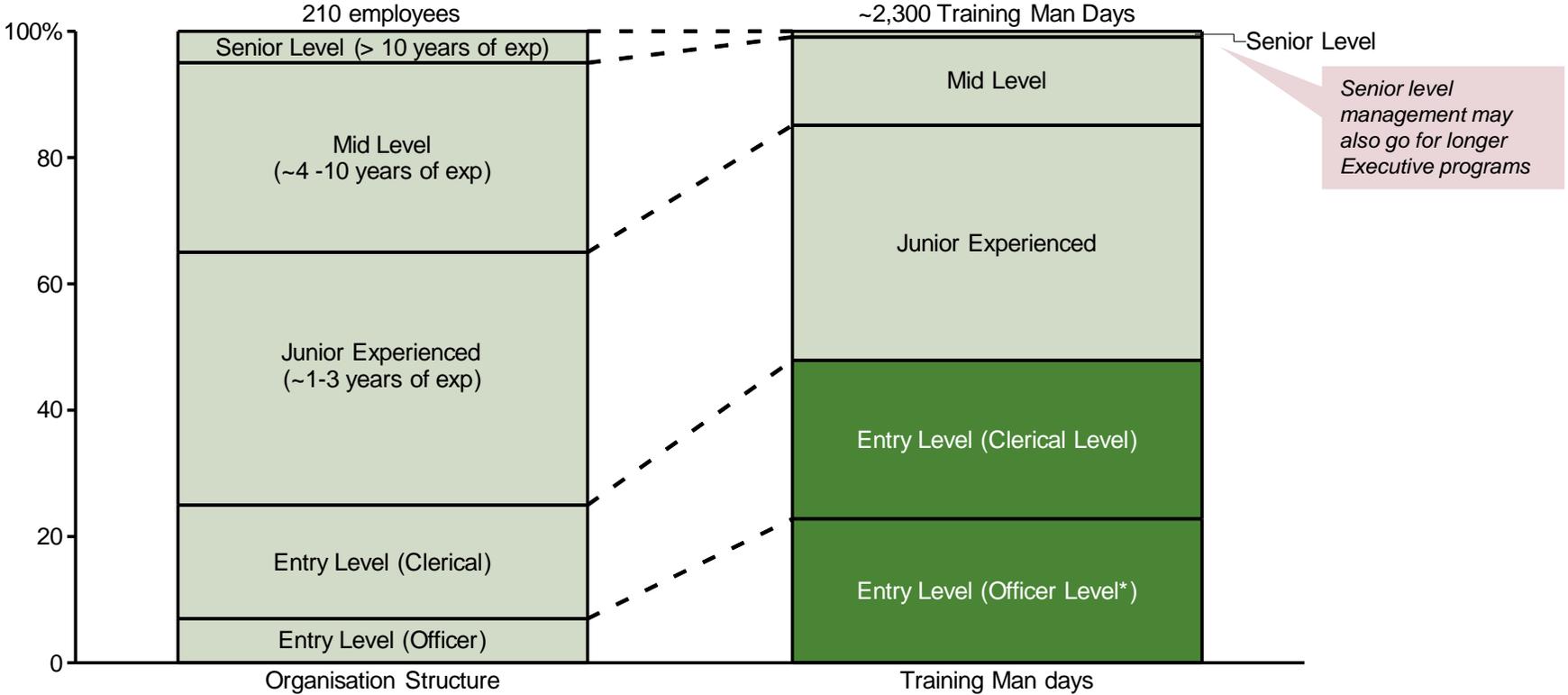
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In a typical EAC Bank entry level and junior experienced staff accounts for ~65% of the total staff; Entry level staff accounts for ~50% of the training man days

Organizational Structure and Training Man Days Across a Typical Bank in EAC



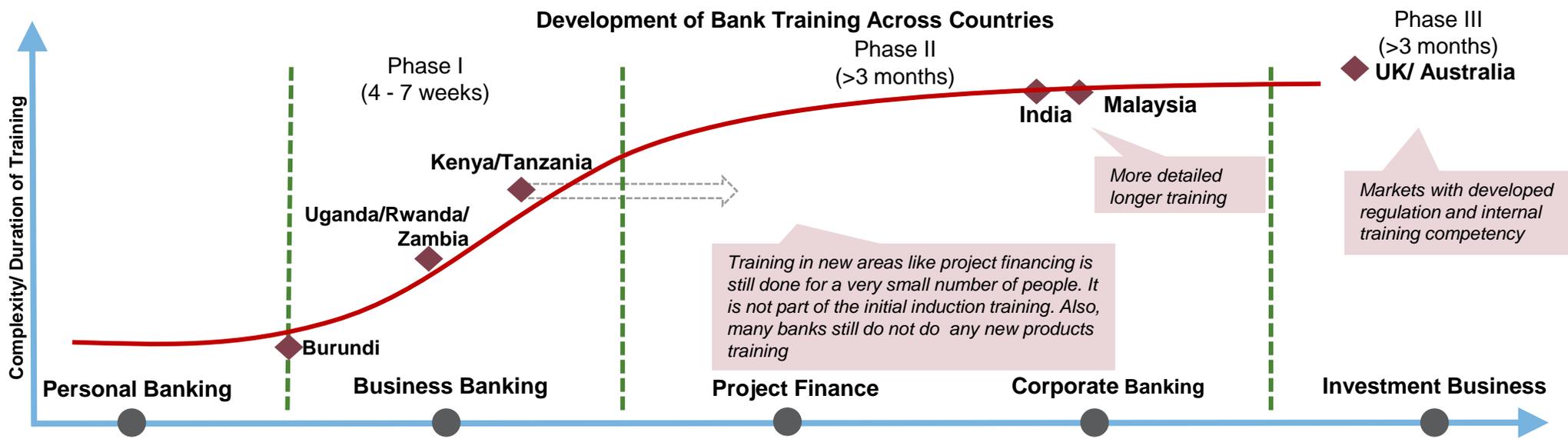
EAC Estimate **~300K Training Man Days**



Entry level officers in few banks are also referred to as management trainees
 Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Executive Summary

Financial sector in Kenya and Tanzania is more evolved than rest of EAC; The complexity and need for training increases as the sector develops



- The evolution begins with personal banking business
- Following are the major product offerings:
 1. Deposit Products
 2. Loan Products
 3. Wealth Management Services
 4. Credit Cards and Debit Cards

- Steady growth of the personal banking brings a larger asset base to expand into business banking
- Following are the major products:
 1. Business Loans
 2. Business current accounts
 3. Forex
 4. Cash management Services

- The emergence of project finance is based on the key relationships nurtured through the business banking division
- Following are the major lending verticals:
 1. SME
 2. Oil and Gas
 3. Real Estate
 4. Heavy Industries
 5. Agriculture

- Based on existing relationship network banks expand into corporate banking to focus on high margin products.
- Following are the major products:
 1. Transaction Banking
 2. Treasury Banking
 3. Investment Banking
 4. Structured Finance

- Growth of the core banking business allows banks to expand into high risk investment business
- Following are the major products:
 1. Private Equity
 2. Mutual Funds
 3. Securities
 4. Private Banking Solutions



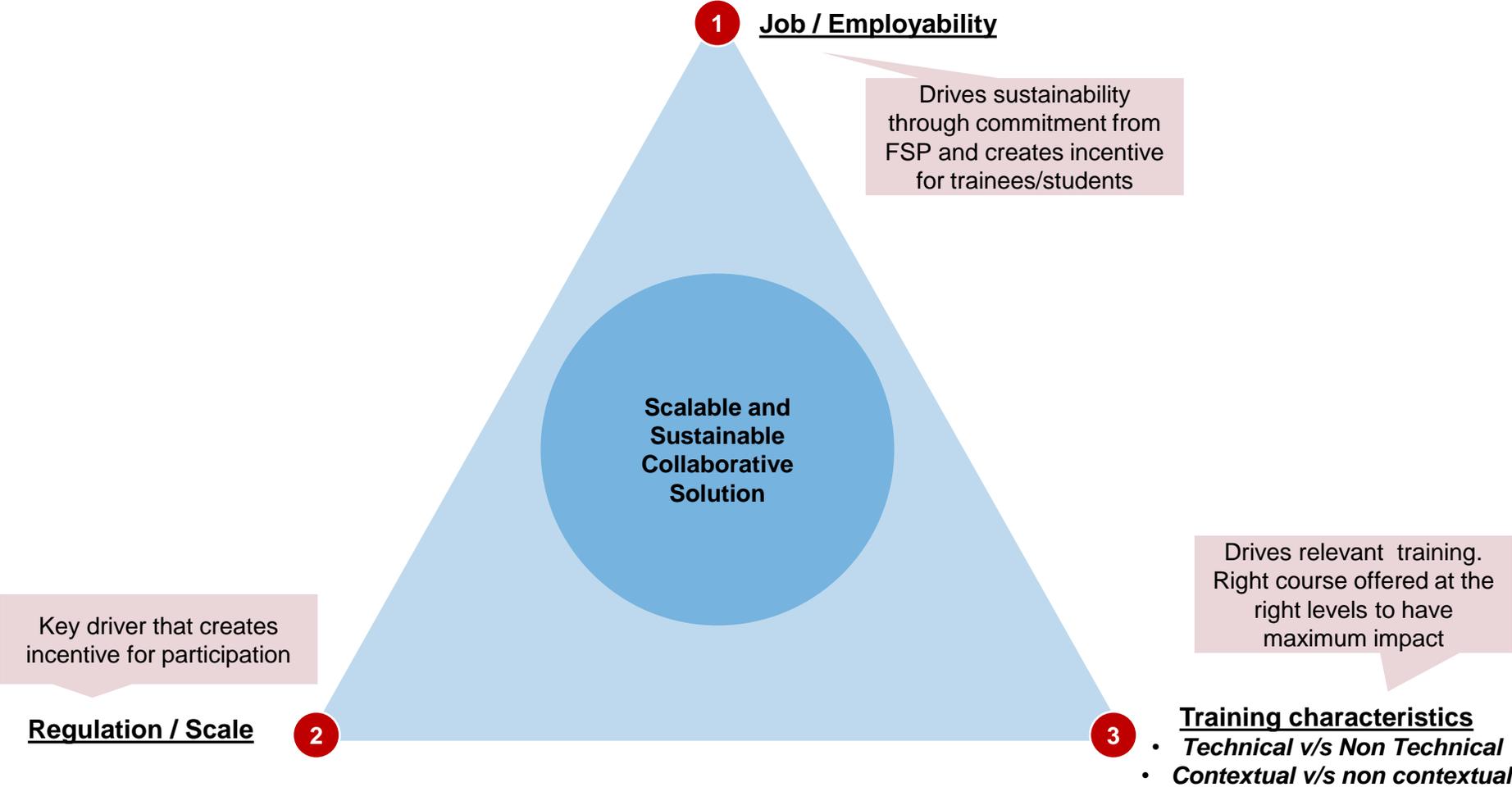
Executive Summary

Collaborative solutions that exhibit scale and sustainability exist in emerging and developed economies; These solutions are focused towards entry level officer training

	Country	Presence of Collaboration	Scale and Sustainability	Provider	Targeted Employee Level	Job Assurance Post Completion	Drivers of Collaboration
Emerging	 Malaysia	✓ (FSTEP)	<ul style="list-style-type: none"> • 6 years • ~250 students per year • ~59 financial institutions 	<ul style="list-style-type: none"> • Institute of Bankers Malaysia (IBBM) 	<ul style="list-style-type: none"> • Entry Level (Officer) 	✓	Regulations through forced funding to drive FSP participation
	 India	✓ (Manipal University – Private Banks)	<ul style="list-style-type: none"> • 5 years • ~4000 students • ~8 banks 	<ul style="list-style-type: none"> • Private University 	<ul style="list-style-type: none"> • Entry Level (Officer) 	✓	Large scale of intake batch leading to high training cost
Developed	 UK	✓ (FCA Certification)	<ul style="list-style-type: none"> • 3 years • Implemented at an industry wide level 	<ul style="list-style-type: none"> • Private independent providers • Banking institutes and societies 	<ul style="list-style-type: none"> • Junior experienced and mid level customer facing roles 	✓	Regulations through government mandate for certification
	 Australia	✓ (RG146, RG206)	<ul style="list-style-type: none"> • > 5 years • Implemented at an industry wide level 	<ul style="list-style-type: none"> • External independent providers 	<ul style="list-style-type: none"> • Entry Level (Officer) 	✓	Regulations through government mandate for certification

Executive Summary

Employability, regulation/scale, and training characteristics are the key aspects of a successful collaborative solution for entry level officer training

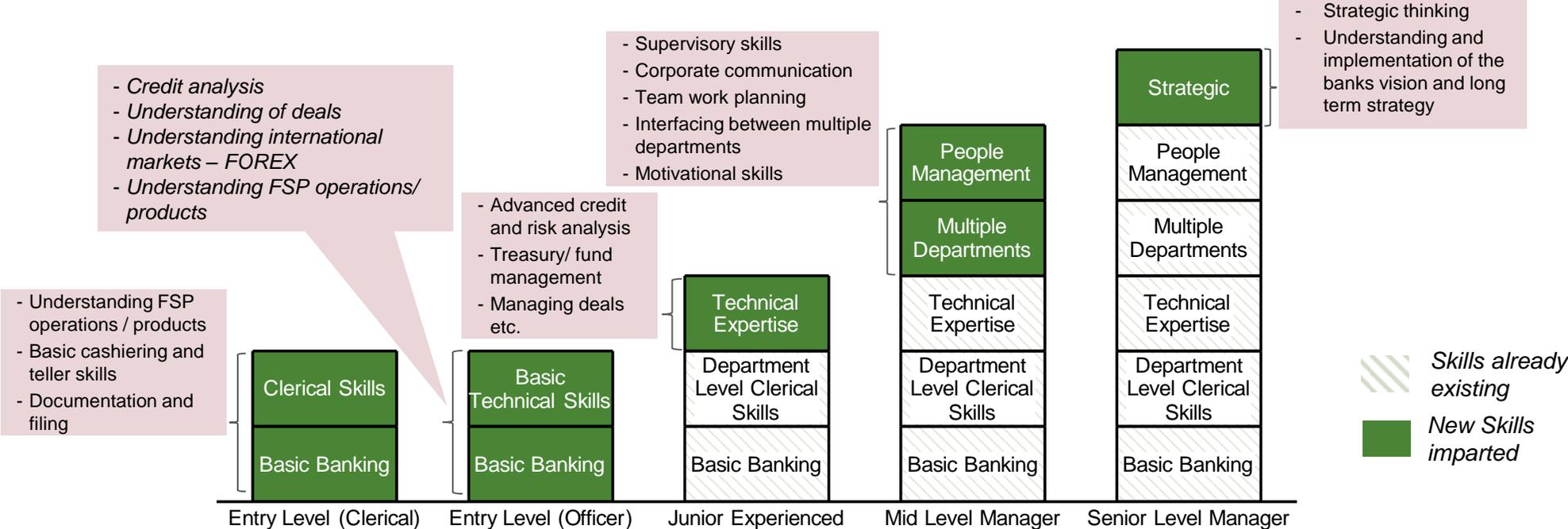


Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Executive Summary

Entry level officer training is longest in duration and complex in content

Incremental Skills Imparted at Various Employee Levels



Number of Years of Experience	None	None	~1-3 years	~4 -10 years	more than 10 years
Industry Standard Certification Required Pre - job?	NO	NO	NO	NO	NO
Number of Training Days	15	35	10	5	2



Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Executive Summary

FSPs across EAC countries have similar perspectives on skills and demand and face significantly more issues with training for the entry level officer recruits

	Entry Level (Clerical)	Entry Level (Officer)	Mid Level	Senior Level
Type of Training	<ul style="list-style-type: none"> • Simple process • Documentation 	<ul style="list-style-type: none"> • Technical 	<ul style="list-style-type: none"> • Leadership/ people management related 	<ul style="list-style-type: none"> • Strategic
Reasons for Skill Gaps	Enough qualified people in the market who lack job specific skills/ insufficiency of current providers		Focus on only technical skills during early years/ lack of experience in people management	Lack of sufficient people with required width of exposure
Skills Lacking	<ul style="list-style-type: none"> • Basic financial knowledge • Practical banking skills 	<ul style="list-style-type: none"> • Basic financial skills • Technical skills • Detailed product skills 	<ul style="list-style-type: none"> • Supervisory skills • Self management • Leadership 	<ul style="list-style-type: none"> • Strategic skills • Multi-department experience • Cross industry experience
Issues With Training	<ol style="list-style-type: none"> 1. Time Constraint 2. Cost 	<ol style="list-style-type: none"> 1. Time 2. Cost 3. Course content misaligned 4. Lack of good quality provider 5. Focus/ lack of strategic HR 	<ol style="list-style-type: none"> 1. Time Constraint 2. Cost 	N/A

Officer level is the key area of focus because FSPs face broader challenges, beyond cost and time. And unlike mid and senior level the training is more technical and less contextual for officer level positions

Executive Summary

Currently in EAC there is no financial skills training course that gives job assurance; There is no regulation that mandates undergoing training for any employee level

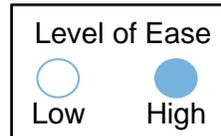
	Description	Entry Level (Clerical)	Entry Level (Officer)	Mid Level	Senior Level
State of FSPs in EAC					
1	Job Assurance	• Is there guarantee of a job placement post course completion?	x	x	x
2A	Regulations	• Is there a government mandated requirement for certification in addition to university qualification before being able to work formally?	x	x	x
2B	Scale:	• Is the scale of training large and requires significant resources to be deployed by the FSPs?	✓	x	x
	• <i>Economies of Scale</i>		✓		
	• <i>Opportunity Cost</i>	• Is the trainer/trainee opportunity cost (time spent by current management) in training large?			
3	Training Characteristics:	• Is the training technical in nature?	x	x	x
	• <i>Technical vs. Non Technical</i>	• Is the training contextual in nature?	✓		
	• <i>Contextual and Non Contextual</i>	• Is there a need to customize the training for individual FSPs?	• Non – technical • Partially contextual	• Technical • Partially contextual	• Non technical - Strategic skills • Highly contextual

Potential exists for collaboration at entry level (officer) due to large scale and technical nature of training

Executive Summary

Three potential options can be evaluated to develop an industry wide collaborative solution for training that can satisfy the key requirements

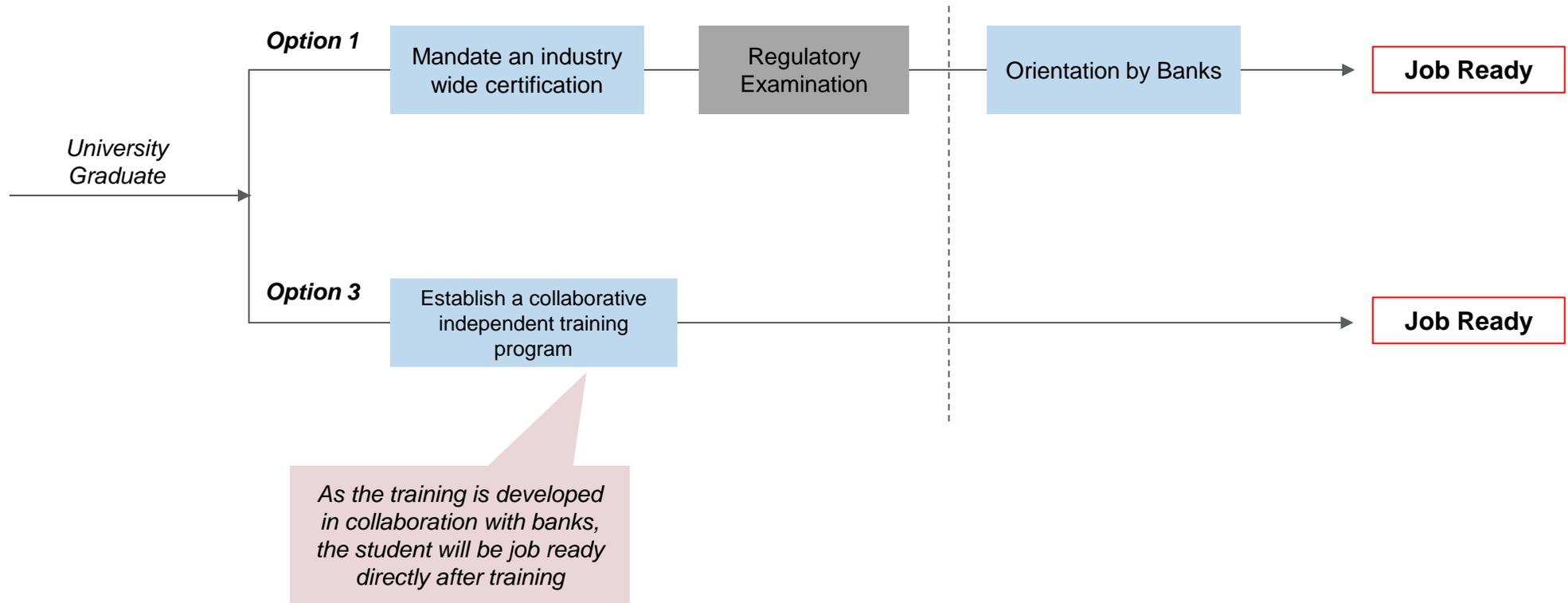
	Option 1	Option 2	Option 3
	Mandate an Industry-Wide Certification (E.g.: Australia)	Establish Regulation (Training fund) for Participation (E.g.: Malaysia)	Establish a Collaborative Independent Training Program (E.g.: India)
Role of FSDA	Lobby with the government to define a minimum requirement for all entry level jobs	Collaborate with central banks to create / use mandatory training / skills fund	Develop solution with 1 or 2 <u>champion banks</u> to drive acceptance across industry
Ease of Implementation			
Key Issue	<ul style="list-style-type: none"> Long process of convincing government and key stakeholders and establishing legislation 	<ul style="list-style-type: none"> Challenging to convince participation in a fund Long process to establish fund 	<ul style="list-style-type: none"> Need to convince sponsor / champion bank to participate in developing the solution Potential scale
Potential Timeline	<ul style="list-style-type: none"> Long term 	<ul style="list-style-type: none"> Long term 	<ul style="list-style-type: none"> Short/ medium term



Executive Summary

Mandating an industry wide certification would require an additional orientation to be done by banks, whereas an independent training program would make the candidates job ready directly after the training program

Progression Path for a University Graduate, Across Different Collaborative Options



Executive Summary

Examination, accreditation and legislation are the key components of establishing a mandated industry wide certification (option 1)

Examination

- A central certification examination conducted for all potential candidates
- Eligibility to work in formal capacity dependent upon successful completion of the certificate
- Examination content set by expert panel

Training Accreditation

- A training accreditation body, formed under a central regulator, should lay down details of the training required for this examination, i.e. content to be taught, practical nature of training, duration and quality of infrastructure
- Institutes offering training services need to be accredited as a provider by the accreditation body

Legislation

- Appropriate legislation established to ensure that:
 1. Every entry level officer recruit by a bank has cleared this examination
 2. The relevant central body is given the legal status of an accrediting body

Outstanding Questions

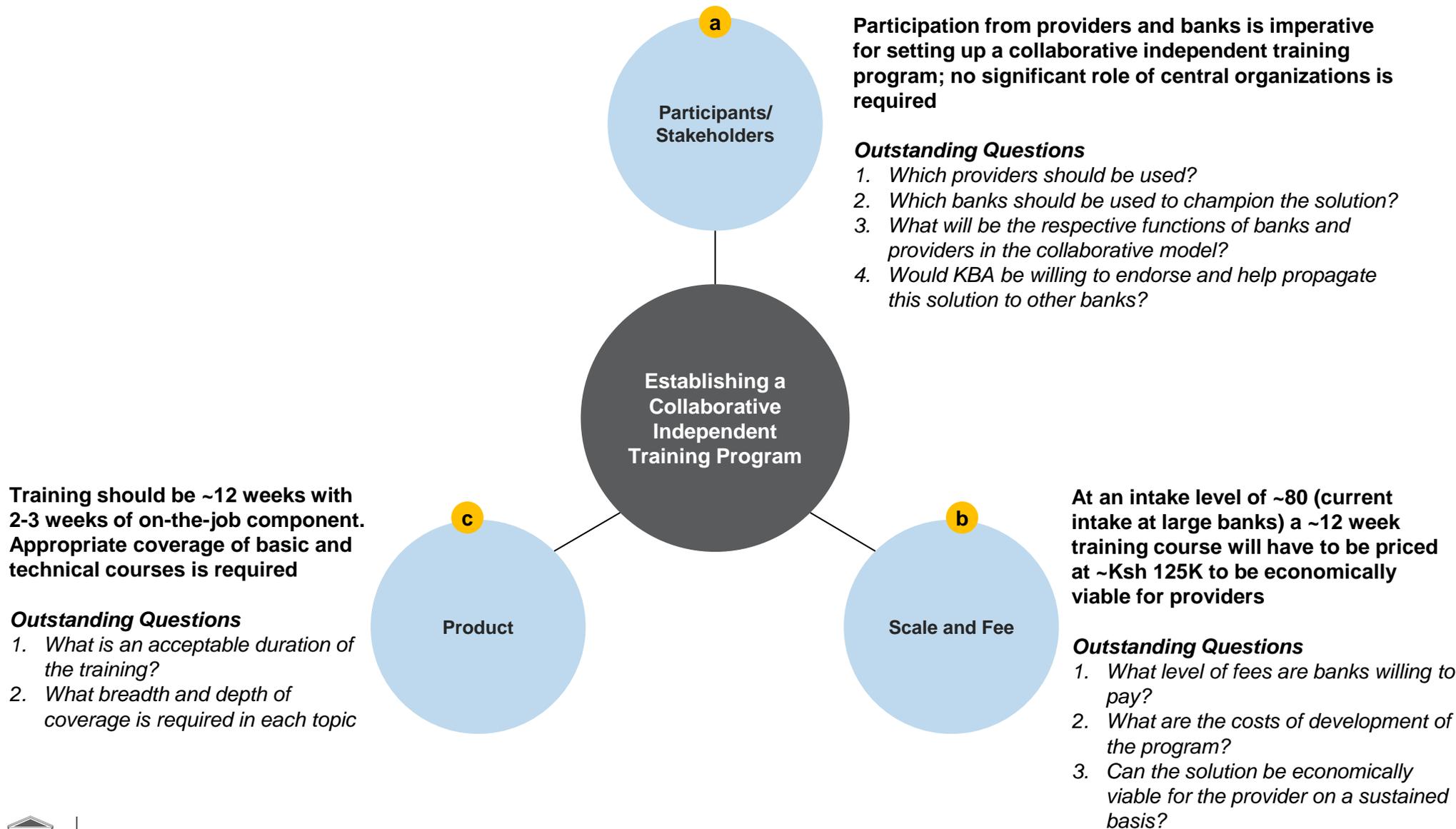
1. Who should the panel comprise of?
2. Which central organization should coordinate/ facilitate functioning of this panel?
3. How frequently should the content be revised?
4. What should be the content of the certification examination?
5. Which organization should conduct the examination?

1. Under whom should this training accreditation body be formed?
2. What should be the accreditation guidelines?
3. What should be the frequency of renewal of accreditation guidelines?
4. Who should the training accreditation body comprise of?

1. Which organization is best suited to drive legislation?
2. What should be the key aspects of the legislation?
3. What should be the support process for creation of this legislation?
4. Expected timelines?

Executive Summary

Establishing a collaborative independent training program (option 3) requires participation from banks and providers, development of a relevant training program and economic benefits for all stakeholders



Executive Summary

Potential for regional collaboration depends on regulation, product differentiation, logistics and language differences

		Description	EAC Context	Supporting Collaboration in EAC?
1	Regulation	<ul style="list-style-type: none"> Rules and regulations set by Central Banks may differ across countries 	<ul style="list-style-type: none"> Challenging to do a common course legislated across different countries However, private banks across larger countries like Kenya and Tanzania will drive commonality in training 	✓
2	Product Differentiation	<ul style="list-style-type: none"> With difference in the level of maturity of the banking sector across EAC, product offering will vary among countries 	<ul style="list-style-type: none"> Product mix in larger countries like Kenya and Tanzania is very similar Regional banks like KCB do conduct common regional training sometimes 	✓
3	Logistics	<ul style="list-style-type: none"> Increased logistical challenge and cost of travel 	<ul style="list-style-type: none"> Banks will face logistical barriers like transportation and accommodation in taking employees to a different countries 	✗
4	Language	<ul style="list-style-type: none"> Primary languages spoken across the EAC differ 	<ul style="list-style-type: none"> Challenging to develop and deliver courses in different languages 	✗

“Sending 40-50 employees every year to another country would involve significant cost in terms of travelling and living allowances. We would be more inclined to have 1 trainer come here than send 40 people there”

- **HR Business Partner, Kenya Commercial Bank (Uganda)**

“In Burundi most of the staff are well competent in French but not so well versed in English. If the common training is taught in English then it might be challenging for most of the trainees from Burundi and Rwanda”

- **HR Head, Kenya Commercial Bank (Burundi)**



Private collaboration across larger countries like Kenya and Tanzania may be possible



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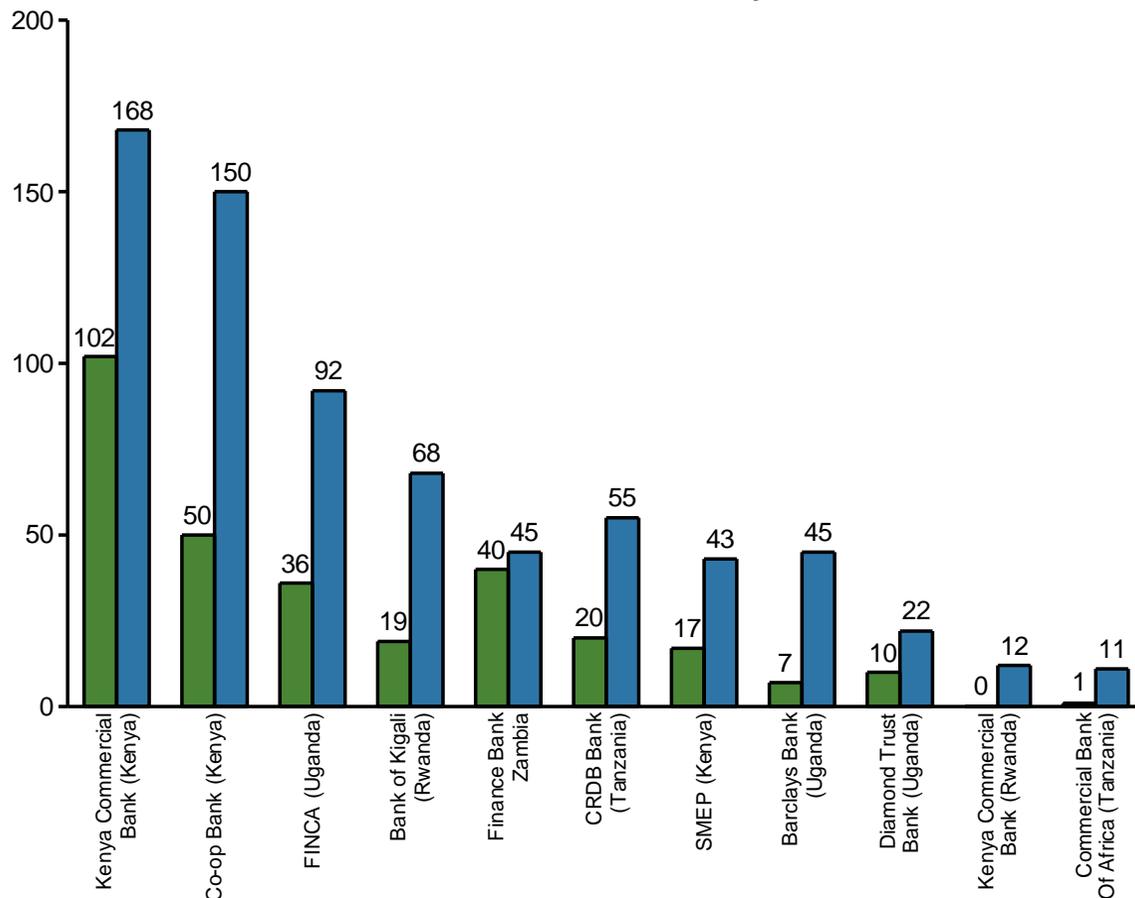
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Introduction to EAC Skills Requirement

The financial sector has seen rapid expansion in the last 5 years; number of bank branches have increased ~2x over the past 5 years

Number of Bank Branches Across EAC, By Bank, 2008 - 2013



“There has been huge growth in the market in the last decade. Just in the last 5-7 years, 10 new banks have opened up, taking the total to almost 50 licensed banks”

- Managing Director, Kenya Commercial Bank (Tanzania)

“About 4 new international banks have come into the country just in the last 3 years. In addition, most existing banks are expanding their branch networks at a rapid pace”

- Head, Training and Development, Finance Bank (Zambia)

“There has been rapid growth in the financial sector in Kenya with a large number of branches opening up. Advent of mobile and online banking have greatly helped spur this growth”

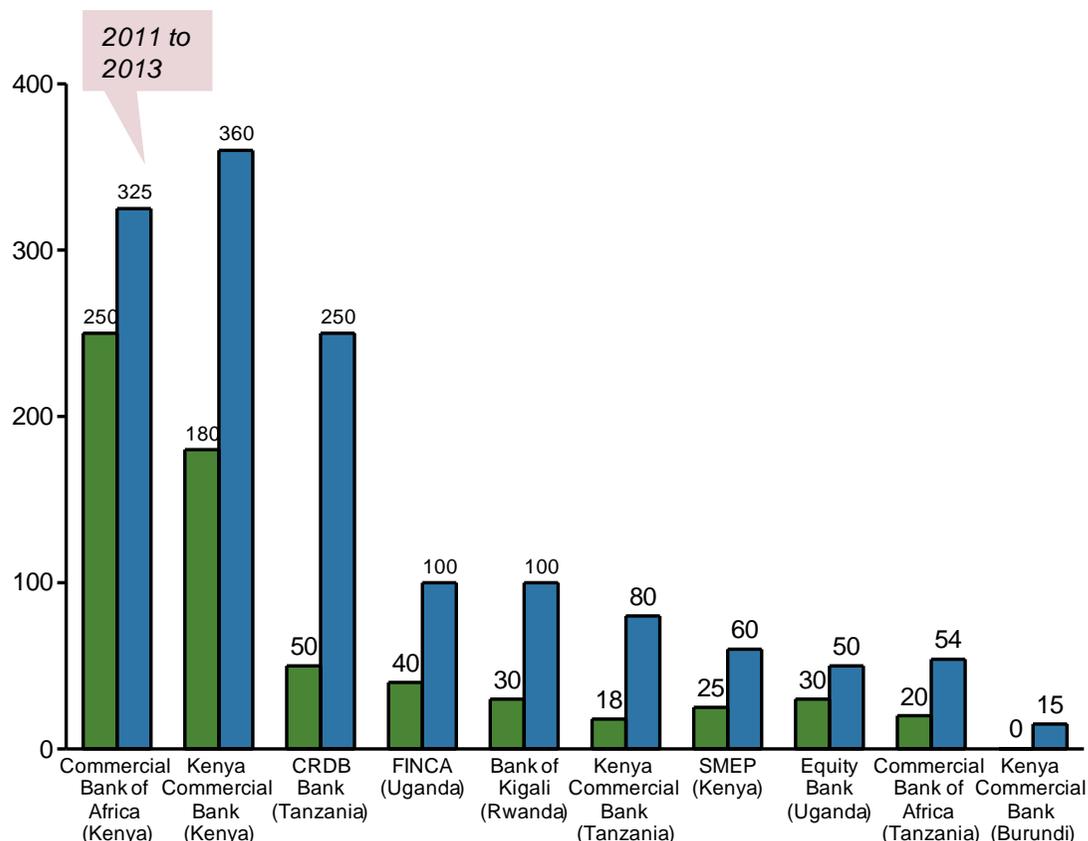
- Head of Credit, Co-op Bank (Kenya)

How has the staff requirement been impacted by this rapid expansion in the financial sector?

Introduction to EAC Skills Requirement

Growth in the financial sector has led to a corresponding increase in staff requirement; staff intake by FSPs has also increased ~2x over the past 5 years

Intake of New Employees Across EAC, By Bank, 2008 - 2013



“Due to the rapid expansion we have seen, our intake has almost doubled in the last 5 to 6 years”

- Head of Human Resource, Kenya Commercial Bank (Kenya)

“There was a moratorium on private commercial banks in Uganda. The moratorium was lifted in 2007, because of which we have seen a rapid expansion in the number of banks coming into the country”

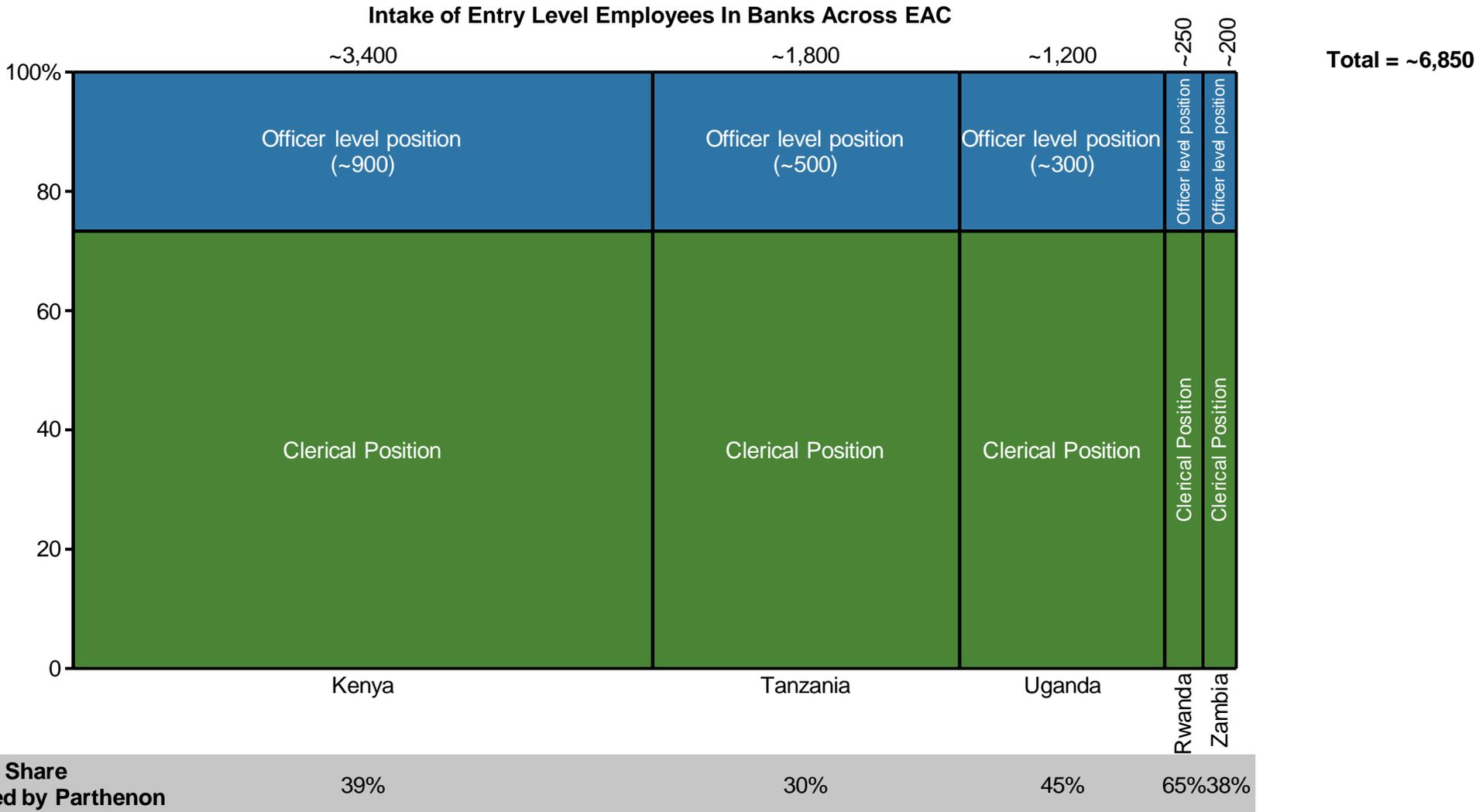
- Learning and Development Manager, Kenya Commercial Bank (Uganda)

“In the last 5 years we have opened almost 40 new branches, with 6 more in the pipeline. This has resulted in a huge increase in our staff intake at the branch level”

- Chief Operating Officer, Bank of Kigali (Rwanda)

Introduction to EAC Skills Requirement

Total intake for the entry level positions across banks in EAC is estimated to be ~7K; Kenya and Tanzania make up ~75% of the this intake



Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Introduction to EAC Skills Requirement

Banks recruit staff at 3 levels; staff requirement is higher at early years and is critical from the perspective of continued growth

	Early Years		Mid-Level Management	Senior-Level Management
	Entry Level	Junior-experienced		
Qualification Required	Bachelors degree (BBA, BSc, B.Com) in a business related field, accounting qualifications (CPA), Engineering (B.Tech) degree in IT or Computer Science, Bachelors in Education, Law etc.		Bachelors degree (BBA, BSc, B.Com) in a business related field, accounting qualifications (CPA), Engineering (B.Tech) degree in IT or Computer Science	Basic Qualification: Bachelors Degree in Business related background is preferred Specialization: An MBA degree with finance specialization or Accountancy qualification like CPA
Certifications Required	None		Varies based on specific products and services	No standard certification required
Years Of Experience	None	1-3 years	4-10 years	> 10 years
% Of Recruits	~75%	~20%	~4-5%	~0-1%
Typical Position/ Designation	Tellers, Cashiers, Relationship Management Trainee, Credit Management Trainee	Relationship Officers, Procurement Officer, Assistant Dealer, Community Organizers	Branch Managers, Department Managers	Business Heads, Department Heads, Country/Region Heads,
Roles And Responsibilities	<ul style="list-style-type: none"> • Service customer complaints • Facilitate cash transaction • Administer the process of loan lending • Check the compliance with concerned regulations • Process payments and handle cash 		<ul style="list-style-type: none"> • Manage new branches; market the branch and develop new customer base • Approve loans and lines of credits • Manage regional teams • Analyse counterparty credit risk of OTC options 	<ul style="list-style-type: none"> • Develop overall strategy and direction for the firm or for the department • Develop and package new bank products • Take actions on and implement resolutions passed by the Board

**At which employee levels are collaborative solutions present in other international markets?
What are the drivers of a successful industry wide collaborative solution?**

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International Benchmarks - Summary

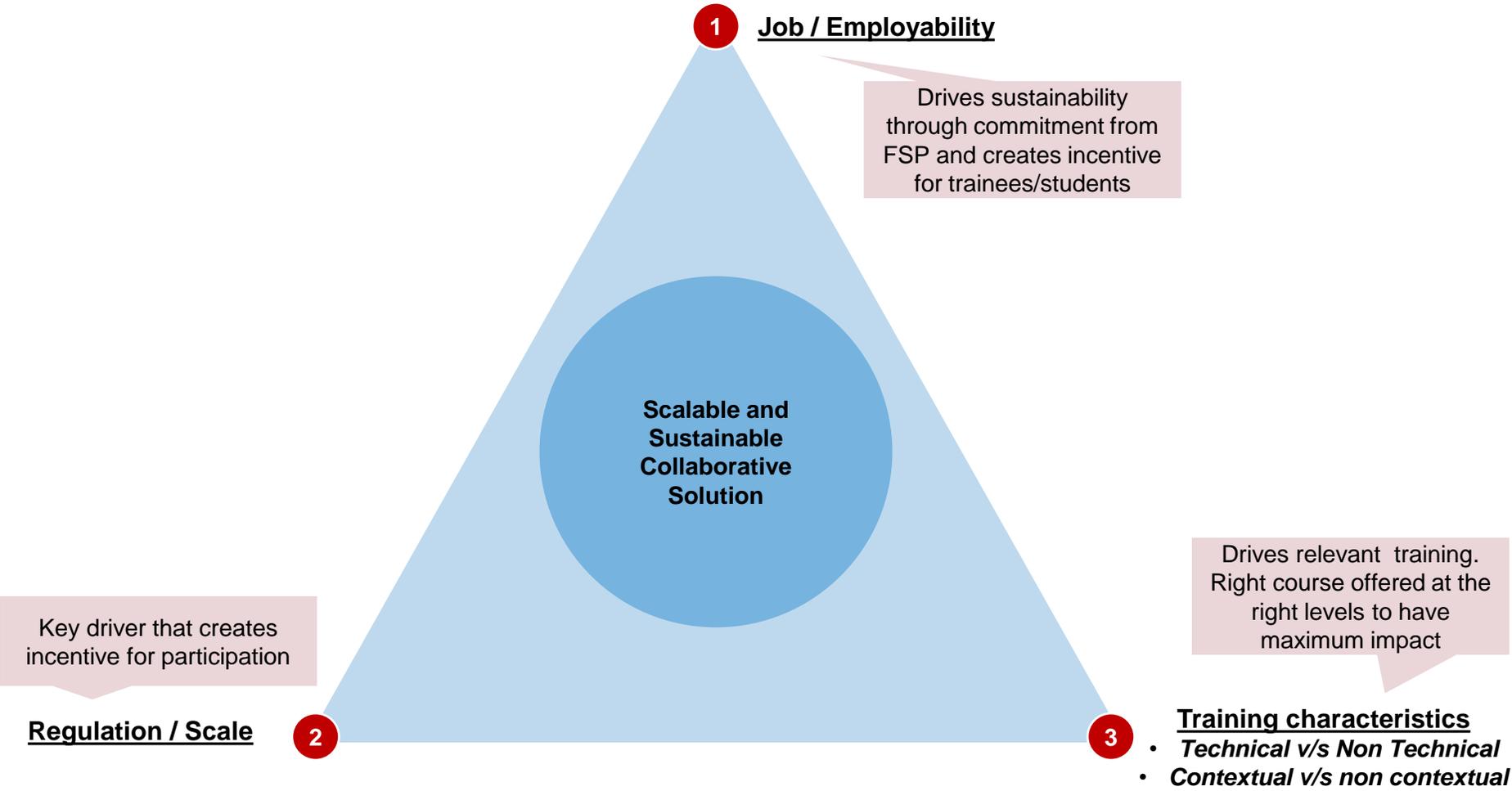
Successful attempts at collaboration in other countries have been driven by regulation, scale and high training cost

	Country	Presence of Collaboration	Scale and Sustainability	Provider	Targeted Employee Level	Job Assurance Post Completion	Drivers of Collaboration
Emerging	 Malaysia	✓ (FSTEP)	<ul style="list-style-type: none"> • 6 years • ~250 students per year • ~59 financial institutions 	<ul style="list-style-type: none"> • Institute of Bankers Malaysia (IBBM) 	<ul style="list-style-type: none"> • Entry Level (Officer) 	✓	Regulations through forced funding to drive FSP participation
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Developed	 UK	✓ (FCA Certification)	<ul style="list-style-type: none"> • 3 years • Implemented at an industry wide level 	<ul style="list-style-type: none"> • Private independent providers • Banking institutes and societies 	<ul style="list-style-type: none"> • Junior experienced and mid level customer facing roles 	✓	Regulations through government mandate for certification
	 Australia	✓ (RG146, RG206)	<ul style="list-style-type: none"> • > 5 years • Implemented at an industry wide level 	<ul style="list-style-type: none"> • External independent providers 	<ul style="list-style-type: none"> • Entry Level (Officer) 	✓	Regulations through government mandate for certification

What can we learn about industry characteristics (drivers) required to drive and support industry wide training intervention from these international benchmarks?

International Benchmarks - Summary

Employability, regulation/scale, and training characteristics are the key aspects of a successful collaborative solution



Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

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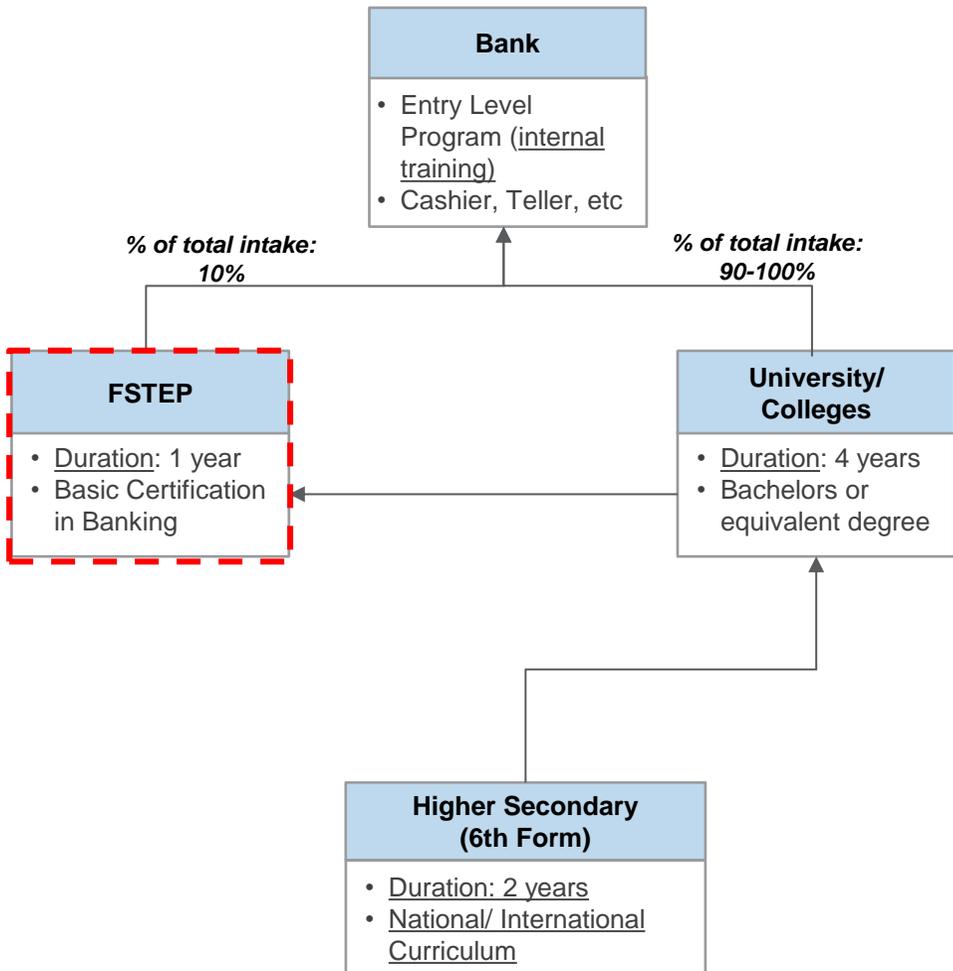
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International Benchmarks: Malaysia

FSPs primarily hire from Universities; FSPs for the entry level mostly hire bachelors degree holders without any strong discipline preference



“Banks have their own hiring and training programs and hire directly from the universities and colleges. Apart from these, banks also absorb students from FSTEP”

- Assistant VP, OCBC Bank

“We do not have any strong discipline preference as long as the candidate has a strong profile. We require a minimum CGPA of 3.0 with strong communication & influencing skills”

- HR Manager, Citi Bank

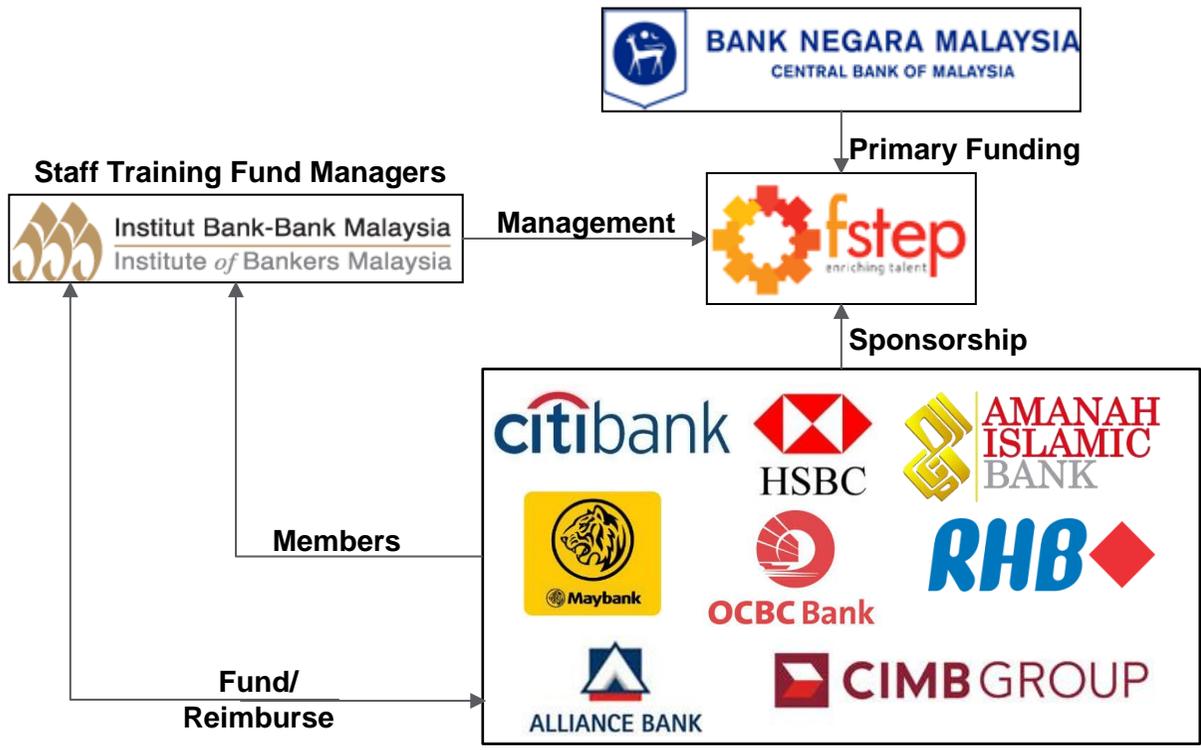
What is FSTEP and why was it created?



International Benchmarks: Malaysia

FSTEP (Financial Sector Talent Enrichment Programme) was started in 2007 to address the skills gap in the financial sector

Management Structure, FSTEP



“FSTEP was envisioned by the governor of the Central Bank of Malaysia, the prime sponsor for the activities, is managed by IBBM. FSTEP was unveiled in September 2007 to support the dynamic growth of the Malaysian financial sector”

- Assistant VP, OCBC Bank

“FSTEP aims at addressing the skills gap in the financial sector in Malaysia by providing an year long training to graduates”

- HR Manager, CIMB Bank

Staff Training Fund:

- Central fund, managed by IBBM started by Central Bank of Malaysia, is contributed to by banks who poach on employees
- For every poached employee, amount equivalent to 6 months of salary has to be deposited in the fund
- Funds can be used for Staff Training and the fund expires every 2 years
- Banks use the fund mostly for sponsoring FSTEP participants and for other staff training activities

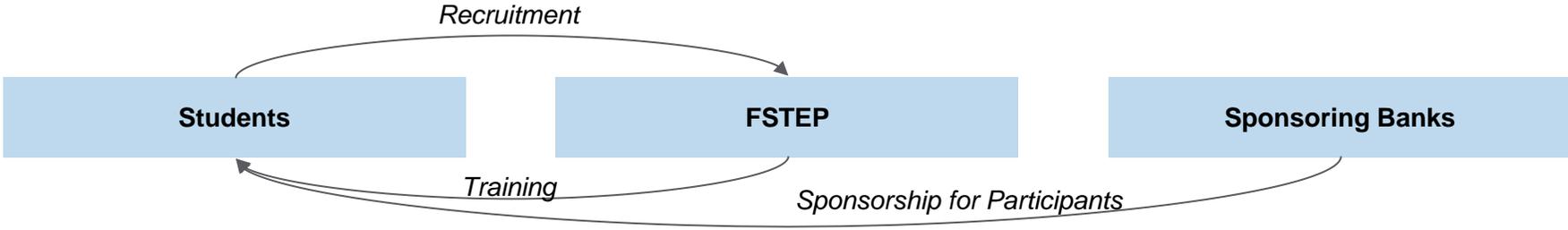
What role does FSTEP play? What level of collaboration exists?



International Benchmarks: Malaysia

FSTEP is a training institute that is run by the Bank Negara Malaysia; FSTEP is responsible for recruiting able candidates and getting sponsorships for them from the banks

Role played by FSTEP



Role	Students	FSTEP	Sponsoring Banks
Key Driver of Participation	<ul style="list-style-type: none"> • Selection to the program is based on online English proficiency test and interview by representatives of FSTEP and sponsoring bank • Minimum entry qualification is a local/foreign degree with a minimum CGPA of 3.25 	<ul style="list-style-type: none"> • FSTEP develops the one year program with curriculum tailored to the core and technical competencies required of financial services practitioners based on inputs from sponsoring banks • FSTEP is also responsible for the recruitment by selecting appropriate applicants for interviews and using interviewers from sponsor banks 	<ul style="list-style-type: none"> • The sponsoring institutes pay for the program from the Staff Training Fund • Students are paid a monthly stipend (minimum RM 2.2K) while undergoing training • Students are legally bonded to the banks for the training period and an additional year subsequent to absorption into the financial sector



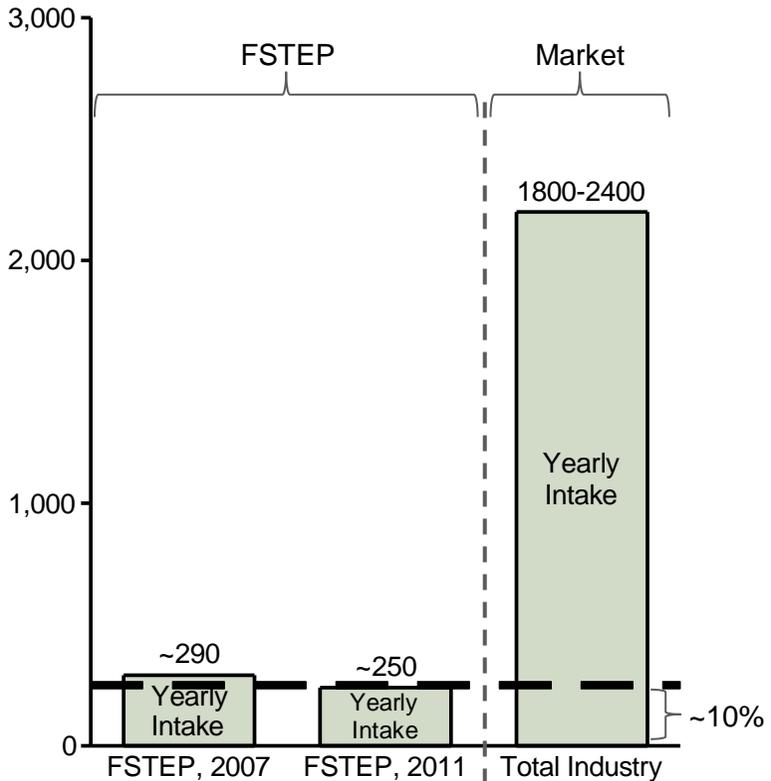
Has FSTEP been successful? What scale have they reached?



International Benchmarks: Malaysia

FSTEP admits ~250 students every year in 2 batches and has ~60 sponsoring partners

Intake of Students, FSTEP vs. Market



“The banks have their own graduate level programs to attract students from the universities. The students coming from FSTEP are not of top quality. Thus all of the students are not placed and thus banks do not regard FSTEP as a top institute for training”

- Assistant VP, OCBC Bank

“Banks have to use the Staff Training Fund in some way and thus provide money for FSTEP. Banks believe their recruitment process to be better than FSTEP and thus do not really support it”

- HR Manager, Citi Bank

Why has FSTEP failed to scale up?



*Includes list of commercial banks, investment banks and islamic banks registered with the Central bank of Malaysia; ^Estimated based on average intake of 30-40 students per financial institute
Source: Expert Interviews, Secondary Research

International Benchmarks: Malaysia

Potential reasons for FSTEP not achieving scale

1

Program Offering

1. What is the duration of the program?
2. What content is covered?
3. How does it compare to the market?

2

Quality of Students

1. What is the quality of students that FSTEP trains?
2. How does it compare to the quality of students hired by banks directly?

3

Employability

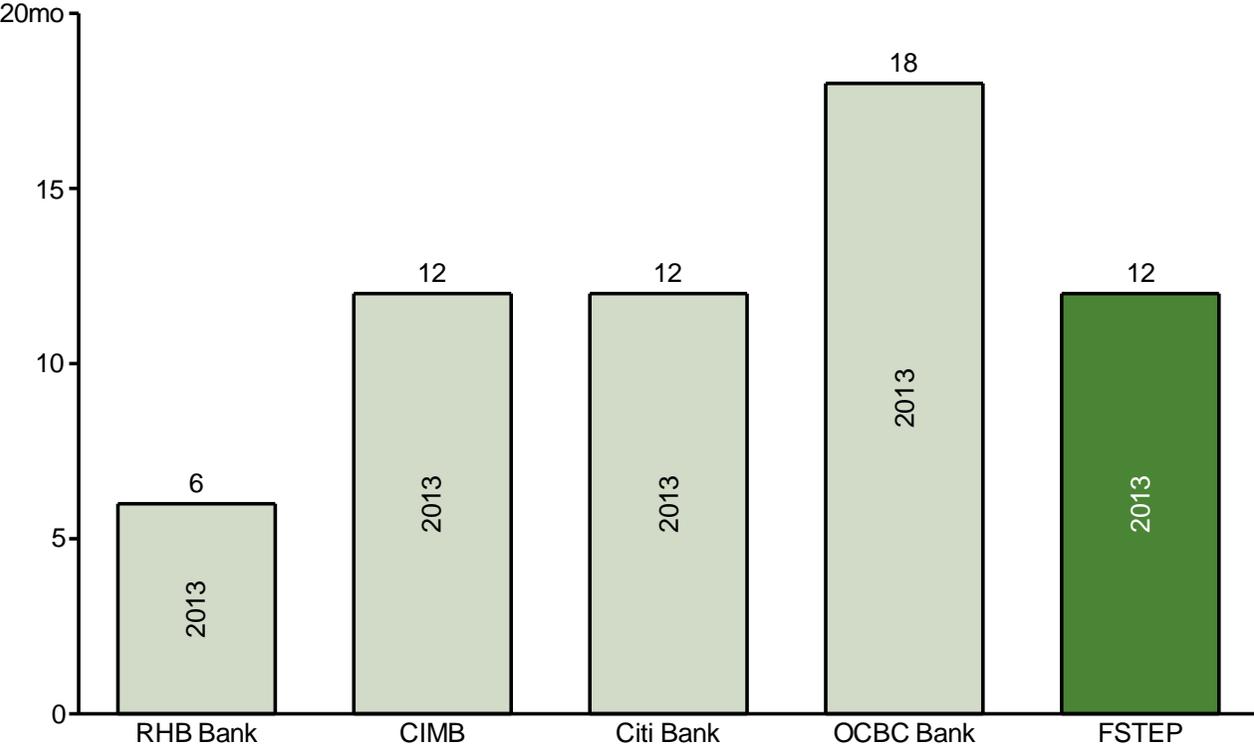
1. Are there any benefits associated with FSTEP training?
2. Do banks pay the FSTEP hires higher salary than entry level recruits?



How does FSTEP compare on the above metrics to the internal training provided by banks?

FSTEP provides training for a period of 12 months which is similar to other banks in Malaysia

Training Duration (Months) For Entry Level Employees, 2013



“Our training under the Deep Reach Program for fresh graduates includes several rotations within the OCBC Group. You may work with front and middle office, support functions and OCBC subsidiaries (including overseas). In addition, you will also undergo 2 weeks of leadership training.”

- Assistant VP, OCBC Bank

“Our training is more focussed on on-the-job rotations as we believe in developing universal bankers. The training lasts a total of 12 months”

- HR Manager, CIMB Bank

International Benchmarks: Malaysia

FSTEP provides general financial literacy training to the applicants with less focus on specific bank requirements

1

Program Offering

Quality of Students

Employability

Program Structure by Bank

	Duration	Classroom Training	Internship/ Rotation	Focus of Training
FSTEP	12 months	✓ (6 months)	✓ (6 months)	General
CIMB	12 months	✓ (2 months)	✓ (10 months)	Bank Specific
OCBC	18 months	✓ (2 weeks)	✓ (~18 months)	Bank Specific
Citi Bank	12 months	✓	✓	Bank Specific
RHB Bank	6 months	✓	✓	Bank and Role Specific



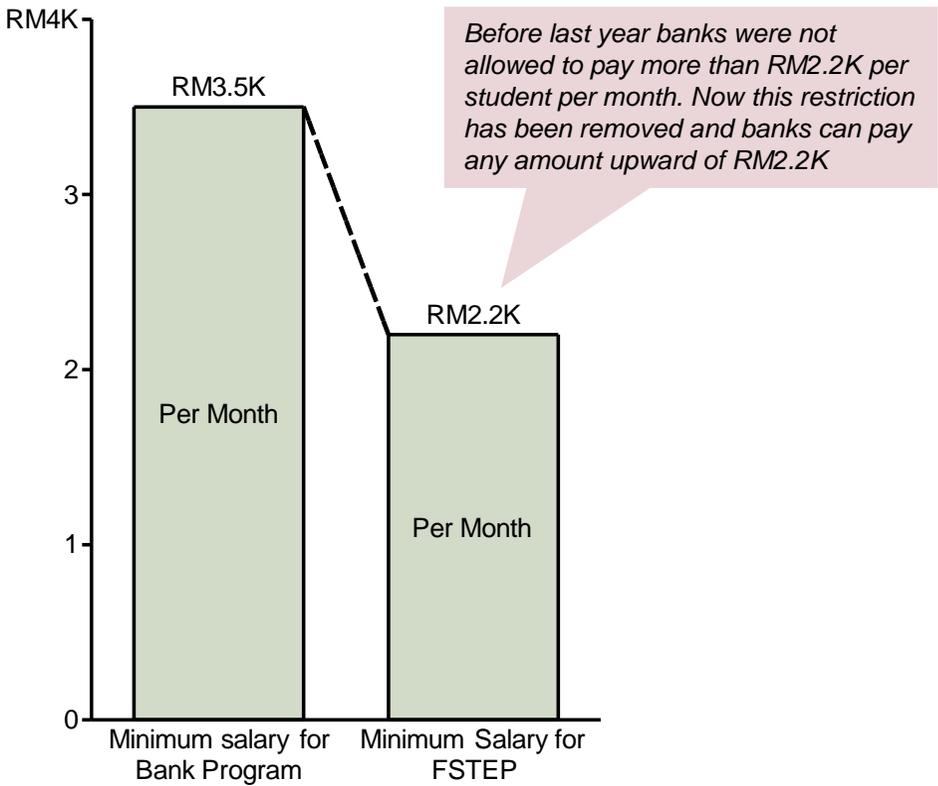
FSTEP provides a more general training than internal training at banks. How do banks and students value FSTEP?



FSTEP is perceived to supply only low quality students; Banks pay less salary to FSTEP graduates



Minimum Salary/ Stipend per Student



Reasons for not considering FSTEP

2 Quality of Students

“Since the stipend paid to students recruited from FSTEP is ~25% lower than direct recruits, good students do not opt for FSTEP. Also, since qualifications required for both processes is the same, FSTEP gets low quality students decreasing its brand perception. FSTEP is trying to alter this by allowing banks to pay higher stipend but banks have become reluctant now. Had it started with this vision earlier then situation might have been different now”

- HR Manager, CIMB Bank

3 Employability

“FSTEP hires join at the entry level after completing their training. They get paid less than their batch mates, who would have joined the bank directly, and would also be one year behind them. Also the employment after completing FSTEP is not guaranteed and would depend on the individuals calibre. Thus students perceive FSTEP as a helper to students with low academic qualifications”

- Assistant VP, OCBC Bank

Good calibre students do not join FSTEP as it would lag their career by one year and they would be paid less; Banks do not consider FSTEP as it provides low quality students

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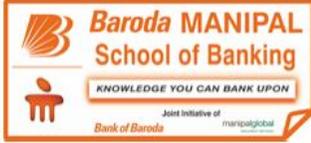
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International Benchmarks: India (Manipal University / Private Banks)

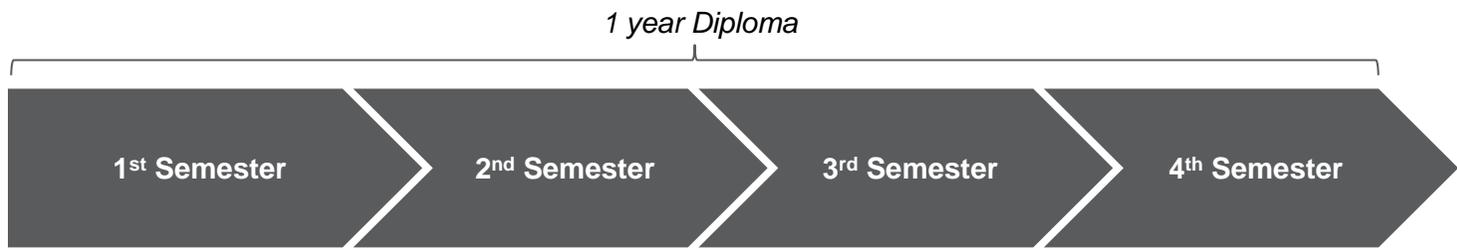
Manipal has established partnership with leading banks to provide a 1 year banking diploma program

Banks	Manipal University	
	Academies / Programs	Important Program Information
		<ol style="list-style-type: none">1. Selection of the program is based on aptitude test and interview2. Minimum entry qualification is a bachelor's degree3. One year program with curriculum tailored to meet banks' needs and requirements of entry level staff (probationary officers)4. Students awarded a Post Graduate Diploma in Banking and Finance and a job at the bank after successful completion of course5. Students pay to attend the program (financed by banks if required)6. Students are paid a monthly stipend while undergoing training7. Students are legally bonded to the banks for a minimum 2 years after joining full time employment
		
		
		
		

Manipal has also partnered with other smaller banks like Ratnakar and provides 3-6 month courses

International Benchmarks: India (Manipal University / Private Banks)

Comprehensive course that includes general office skills as well as banking specific skills; Bank specific CBS installed on campus to simulate realistic environment



- Managerial Communication I
- Behavioural Program I
- IT in Banking
- Managerial Economics
- Business Mathematics and Statistics
- Accounting and Financial Management
- Basics of Banking
- General Management

- Managerial Communication II
- Behavioural Program II
- Receipts and Payment Systems in Banks
- Banking Laws
- Basics of Lending
- Banking – Allied Services
- Banking Environment
- Development Banking

- Recovery Management
- Foreign Exchange
- Credit Risk Management
- Trade Finance and Cash Management Services
- Retail Banking
- Financial Planning
- Treasury Management
- Business Analytics

- Project at bank (Internship)

Other Program Details

- Tech platform and banking simulations installed on campus
- Curriculum jointly developed by Manipal university and banks
- Certifications such as AMFI, IRDA required to provide products in Insurance and Securities/Mutual Funds are included as part of training
- Lectures given by In-house teachers and industry experts
- All training material from the bank available to students at the academy
- Course includes a research project done over the course of 2 semester and presented in semester 3

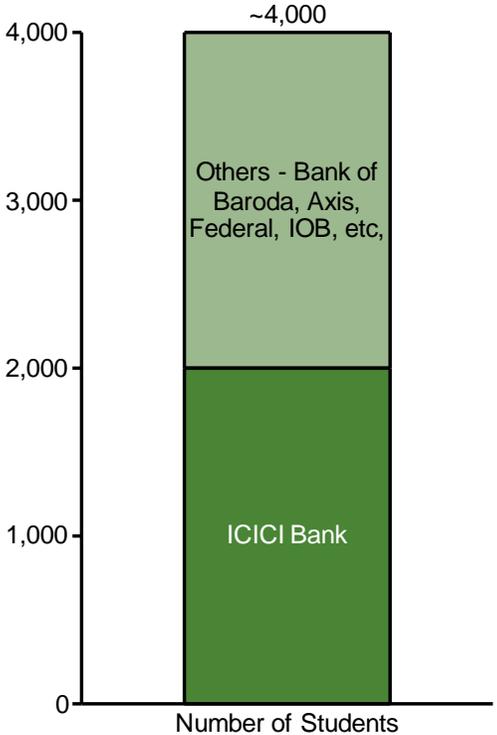
General office / managerial skills
Banking specific skills



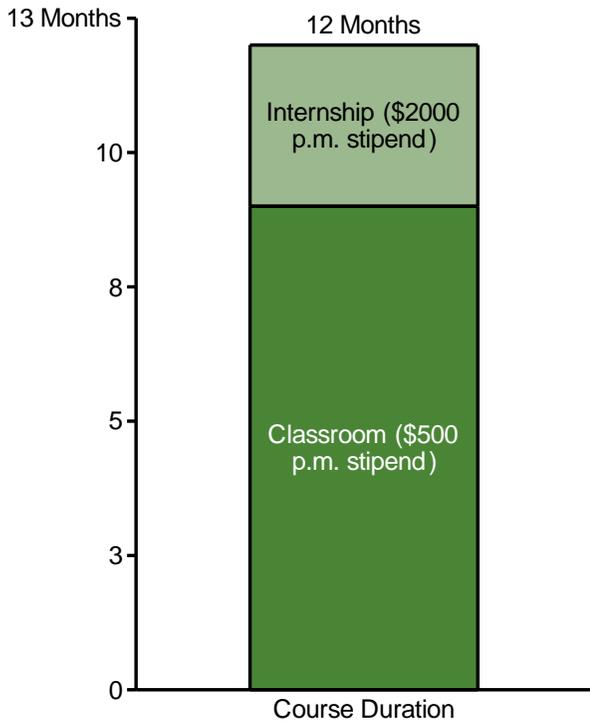
International Benchmarks: India (Manipal University / Private Banks)

Manipal has established joint programs with leading banks which guarantee a job on successful completion as well as finance the course fee

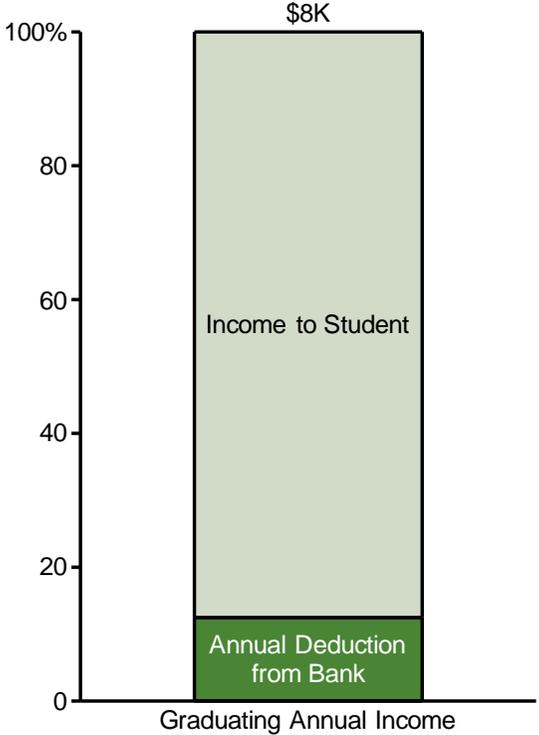
Est. Number of Students at Manipal Banking Programs



Typical Course Structure



Student Economics: ICICI Example



# of Banks	~8
Est. Revenue	\$25M



Est. Course Fee	\$6K
Student Bond (over 5 Years)	\$10K

Students are recruited jointly as probationary officers; all programs are individually branded but take place at a single campus



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International Benchmarks: UK

FSPs mostly hire graduates without any strong discipline preference

Recruitment Requirements at Entry Level, Financial Service Sector

Historically, even with recruitment focused on industry specific disciplines, training was required to be imparted. Thus, banks started going for top talent in the overall market

	Historical* Trend	Current Trend
Discipline/ Background	<ul style="list-style-type: none"> • Business • Finance • Banking • Others related to above 	<ul style="list-style-type: none"> • No Preference
Qualification	<ul style="list-style-type: none"> • Graduate • Diploma with certification in banking 	<ul style="list-style-type: none"> • Graduates only
Qualifying Institutions	<ul style="list-style-type: none"> • Any tertiary institute 	<ul style="list-style-type: none"> • Top tertiary institute
Industry specific Certifications	<ul style="list-style-type: none"> • Required for Diploma holders 	<ul style="list-style-type: none"> • Not required but good to have
Comments	<ul style="list-style-type: none"> • The focus was to recruit people with the right background 	<ul style="list-style-type: none"> • The focus is to recruit smart and driven people

Is there a skills gap for university graduates?



Note: *trend was observed ~15 years ago
 Source: Expert Interviews, Secondary Research

International Benchmarks: UK

The banks Parthenon interviewed recognize that there is a skills gap in the market

Entry Level Recruitment Details, by Bank

	Recruitment From	Discipline Hired From	Feel Graduates Lack Industry Specific Skills
	• University	• Any background	✓
	• University	• Any background	✓
	• University	• Any background	✓

“The banks hire most of the entry level staff from universities/ colleges. Most of the students are lacking in basic skills for financial service sector though”

- **General Manager, Barclays Bank**

“While hiring our focus is to look for quality talent. As a result many a times we have to deal with a skills gap in the market”

- **Branch Manager, Halifax Bank**



Do all banks provide induction training to new recruits?

International Benchmarks: UK

All banks provide training to new recruits, with more focus on simulation based training

Entry Level Recruitment Details, by Bank

	Historical* Trend	Current Trend	Reason for Shift
Duration	• 1-2 months	• 6 months	• Transition new recruits into their role more gradually
Content	• Technical Skills	• Technical Skills • Soft Skills • Professional Skills	• Help the recruits to integrate with the firm culture beyond their specific roles
Structure	• Classroom training	• Simulation based, on the job training with some classroom component	• Make the training more applicable and effective

“All the banks have their own training centres/ departments which provide the necessary induction training to the new recruits. Training would cover topics ranging from technical skills to soft skills to professional skills”

- **Branch Manager, Halifax Bank**

“The training earlier used to be shorter and cover only technical skills required for the job. It was discontinued as it was felt that it did not prepare the recruits for their day to day job. Also many students after this training would leave the firm as they would not have had a chance to integrate with the firm culture”

- **Former Chief Administrative Officer, Mellon Bank**



Is the training provided by various banks different?



Note: *trend was observed a decade ago
Source: Expert Interviews, Secondary Research

International Benchmarks: UK

Banks provide similar training to new recruits

Entry Level Recruitment Training, by Bank

	Duration	Structure	Content
	6 months	Simulation based, on the job training with some classroom component	Regulatory skills, professional skills, soft skills
	✓	✓	✓
	✓	✓	✓
	✓	✓	✓

“All banks provide training typically of 6 months and would cover topics on money laundering, e learning, data security, soft skills, professional skills, career skills”

- **Former Chief Administrative Officer, Mellon Bank**

“The training provided by our bank is similar to other banks in terms of content and structure”

- **General Manager, Barclays Bank**

International Benchmarks: UK

Some certifications exist for entry level employees but are not mandated; FCA mandated certificates are only applicable to junior experienced and mid – level staff (~2-4 years experience) in customer facing roles

Certification	Designation of employees taking the certification	Target Employee Level	Regulating Body	Mandatory Requirement	Level of Certification Mandated
1 Certificate in Retail Banking Conduct of Business (RBCB)	<ul style="list-style-type: none"> Customer Relationship Advisor Branch Relationship Banker 	<ul style="list-style-type: none"> Junior Experienced (~2 years) Mid Level 	Financial Conduct Authority	• No	• N/A
2 Certificate in Regulated Complaints Handling (RCH)	<ul style="list-style-type: none"> Customer Service Complaint Handler Investment Complaint Handler 	<ul style="list-style-type: none"> Entry Level Junior Experienced 	Financial Conduct Authority	• No	• N/A
3 Certificate in Long Term Care Insurance	<ul style="list-style-type: none"> Insurance Claim Officer Insurance Manager 	Customer facing junior Experienced	Financial Conduct Authority	• Yes	• QCF Level 4 required for anyone wishing to work as long term care advisor
4 Diploma in Professional Financial Advice	<ul style="list-style-type: none"> Personal Banking Advisor Senior Financial Advisor 	Customer facing mid level	<ul style="list-style-type: none"> Financial Conduct Authority Scottish Qualification Authority 	• Yes	• QCF Level 4 required for anyone wishing to work as a retail advisor
5 Diploma in Mortgage Advice and Practice	<ul style="list-style-type: none"> Mortgage Advisor 	Customer facing mid level	Financial Conduct Authority	• Yes	• QCF Level 3 required for anyone wishing to work as a mortgage advisor

Fulfilment of the requirements for qualifications can only be done with experience in banking for ~3-4 years

Why has collaboration not happened at the entry level?



International Benchmarks: UK

Banks have not collaborated at entry level because most banks do not perceive a need to and believe that training is central to inducting employees with the bank's culture

Reasons for Lack Of Collaboration between Banks for Training

No perceived need due to investments in infrastructure

Most of the banks have developed their own central training centers/ outsource part of the training and do not perceive the need to outsource the entire process

"We already have our own training centre and do not require any collaborative training centre as there is no requirement"

- **General Manager, Barclays Bank**

"We outsource the part of our training for which we do not have the expertise. The others we like to conduct in house and do not see a reason to outsource all of it"

- **Branch Manager, Halifax Bank**

Training a means of integration more than education

Training helps the new recruits integrate with the firm culture beyond their specific roles

"The training provided by bank is not only aimed at teaching the recruit the required skills for the job but for also for making them more integrated with the firm"

- **Branch Manager, Halifax Bank**

"Banks do team building exercises during training which helps the recruit not only connect with the rest of their batch but also with the rest of other colleagues making them more attached to the firm"

- **Former Chief Administrative Officer, Mellon Bank**

Fear of poaching and competitive advantage

After a collaborative training chances of losing the candidate increases

"If we do a collaborative training then the person might not see the benefits associated with our firm beyond work. Also such a process would expose him more to other firms increasing the chances of poaching"

- **Former Chief Administrative Officer, Mellon Bank**

"We do not want to collaborate as we want to make the recruit realise that our firm is unique and is better for his career. Without an in house training he is more likely to switch to another bank"

- **General Manager, Barclays Bank**



- Collaborative training can happen at pre recruitment level
- Collaborative training would happen in regions having banks with fewer internal resources dedicated to training



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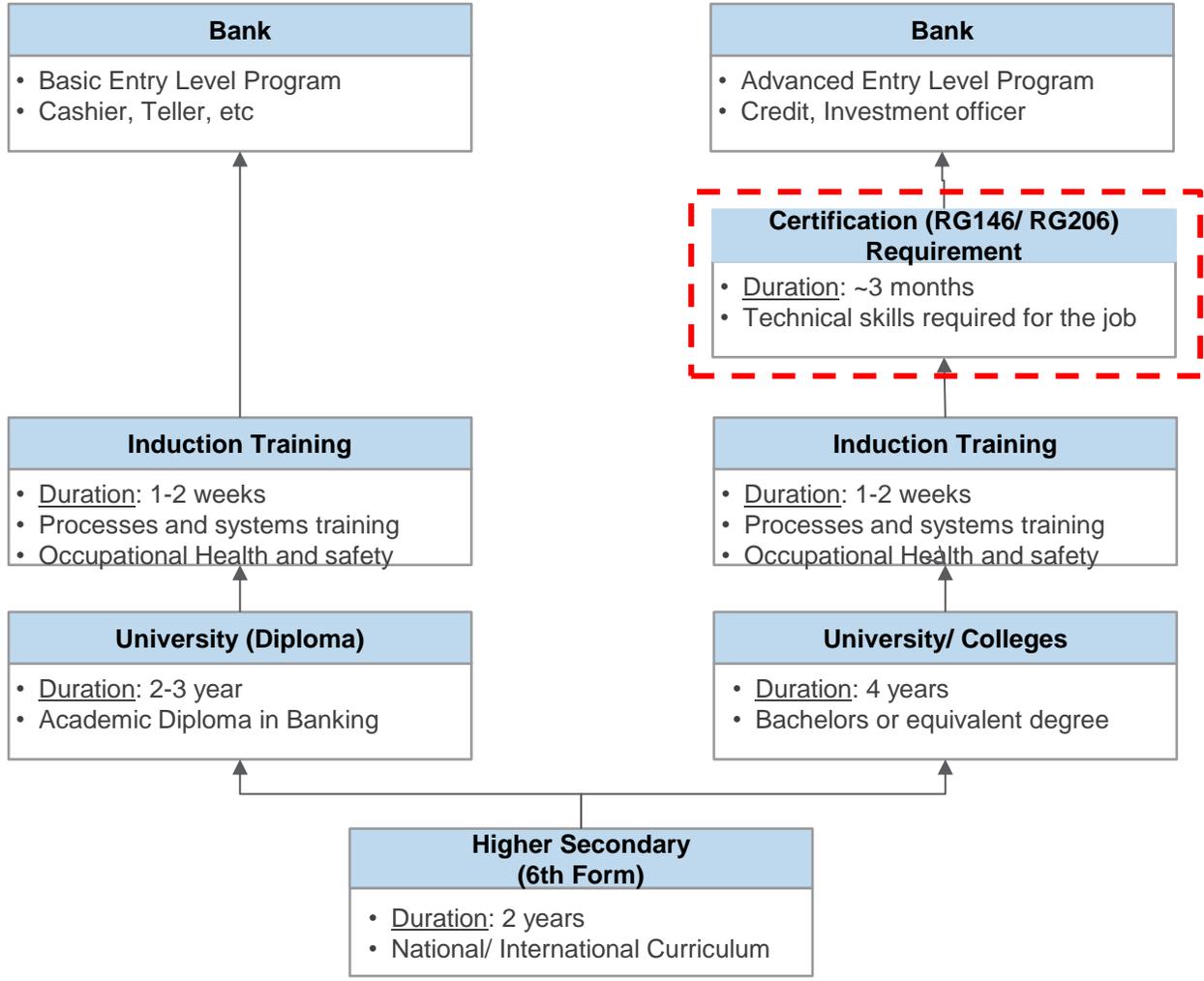
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International Benchmarks: Australia

For the advanced entry level program banks recruit university graduates; The new entrants are required to secure government mandated certification before working formally



“For the basic entry level staff banks may or may not require a university degree. Most of the recruits would be a diploma holder. For an advanced entry level, you typically would hire graduates. Also for both the entry levels you would provide basic induction training about the various processes and systems. Apart from this for advanced level the recruit needs to get a government certified training which would take about 3 months training”

- Expert, Banking and Finance Australia

What is RG146/ RG206?



International Benchmarks: Australia

RG146 and RG206 are government mandated certificates required for bankers to work as credit/ investment officers

RG 146 & RG 206 Description

	Required by	Mandated	Duration	Entry Requirement	Content To Be Covered	Provider	Regulated by
RG 146	<ul style="list-style-type: none"> Individuals providing financial product advice to retail clients 	✓	3 months	None	<ul style="list-style-type: none"> One or many of: Financial Planning, Superannuation, Life Insurance, Managed Investments, Securities, Derivatives, Margin Lending and Foreign Exchange 	<ul style="list-style-type: none"> External providers (online, distance learning or workshops) 	<ul style="list-style-type: none"> Australian Securities and Investments Commission (ASIC)
RG 206	<ul style="list-style-type: none"> Individuals providing credit/ mortgage product advice to retail clients 	✓	3 months	None	<ul style="list-style-type: none"> One of: Certificate IV in Credit Management, Certificate IV in Finance/Mortgage Broking, Diploma of Finance and Mortgage Broking Management 	<ul style="list-style-type: none"> External providers (online, distance learning or workshops) 	<ul style="list-style-type: none"> Australian Securities and Investments Commission (ASIC)



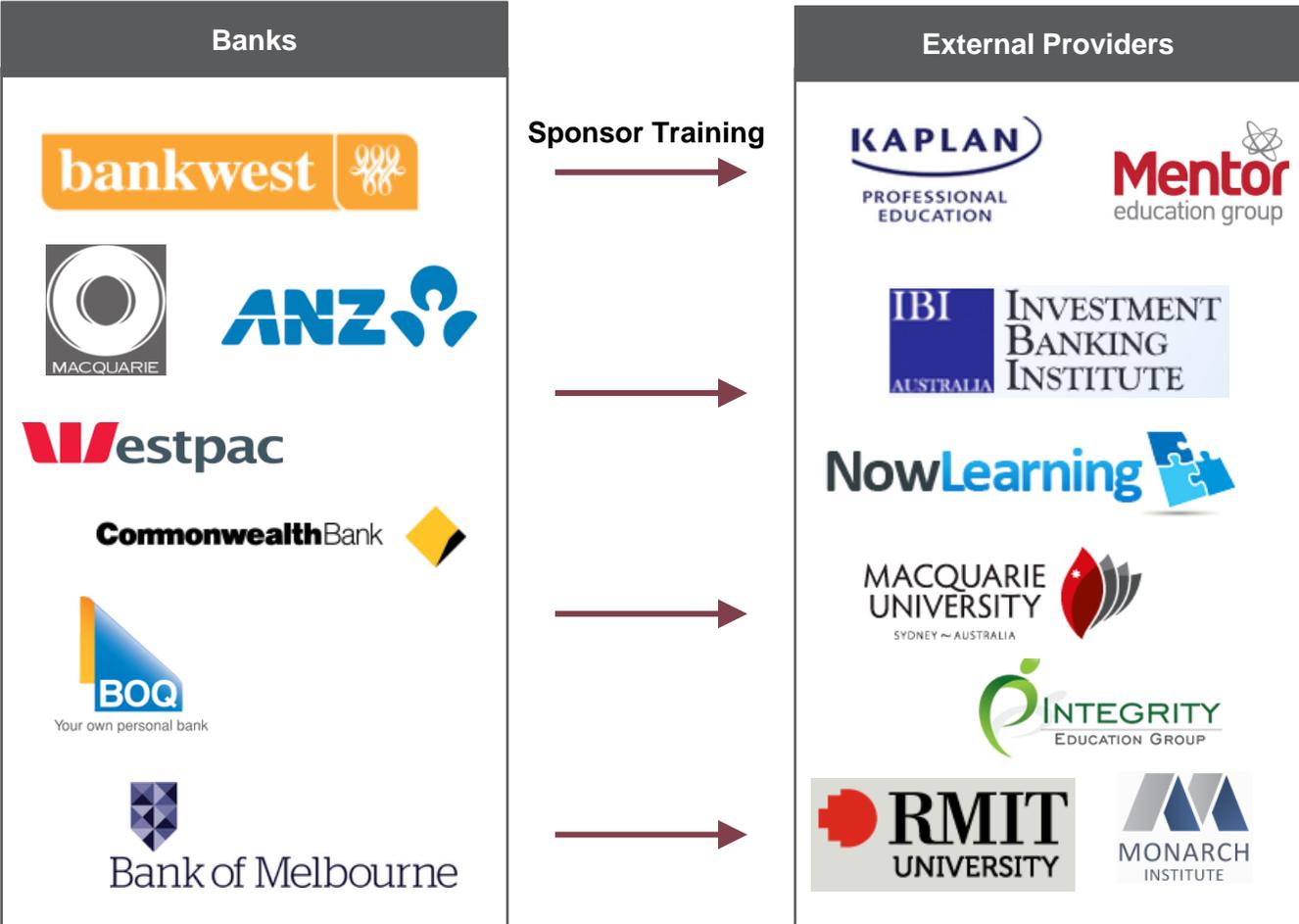
How does one get these certificate?



International Benchmarks: Australia

Training for the certification is provided by external vendors; Banks fund the fees for their recruits

RG 146 & RG 206 Training Structure



“The banks provide for the training of the recruits in the required certification. This training is outsourced to one of the certified education institute which generally has an online training program. The recruits would meanwhile work as an Associate at the bank and soon after getting certified will start with their role. Because of the requirement of this certificate, the banks indirectly collaborate by using similar external providers for the majority of the training”

- Expert, Banking and Finance Australia

Collaboration in Australia is driven by mandated certification for specific positions



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FSPs: Summary

Industry level collaboration within EAC has been evaluated based on understanding the skills gap, existing training infrastructure and issues and FSP perspective on collaboration

Recruitment Position	Demand / Skills Gap	Training Infrastructure / Issues	Perspective on Collaboration
	1	2	3
A Entry Level (Banks)	<ul style="list-style-type: none"> Existence of skills gap Potential to solve through training Scale of industry impact achievable 	<ul style="list-style-type: none"> Internal / External training Existing satisfaction and issues with training <ul style="list-style-type: none"> Cost, Time, Quality Level of customization 	<ul style="list-style-type: none"> Is collaboration beneficial Willingness to collaborate and adopt by FSPs Willingness to participate by other stakeholders
B Entry Level (MFIs)			
C Mid Level(all FSPs)			
D Senior Level (all FSPs)			
Potential for collaboration? (Evaluated based on existence of drivers)	<ul style="list-style-type: none"> <u>Employability</u>: Is there job assurance post completion of training? <u>Scale/ Regulation</u>: Is there sufficient scale for the provider? OR Is there mandated regulation for training? <u>Type Of Training</u>: Is the training required technical/ complex in nature and non contextual? 		

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Entry Level: Banks

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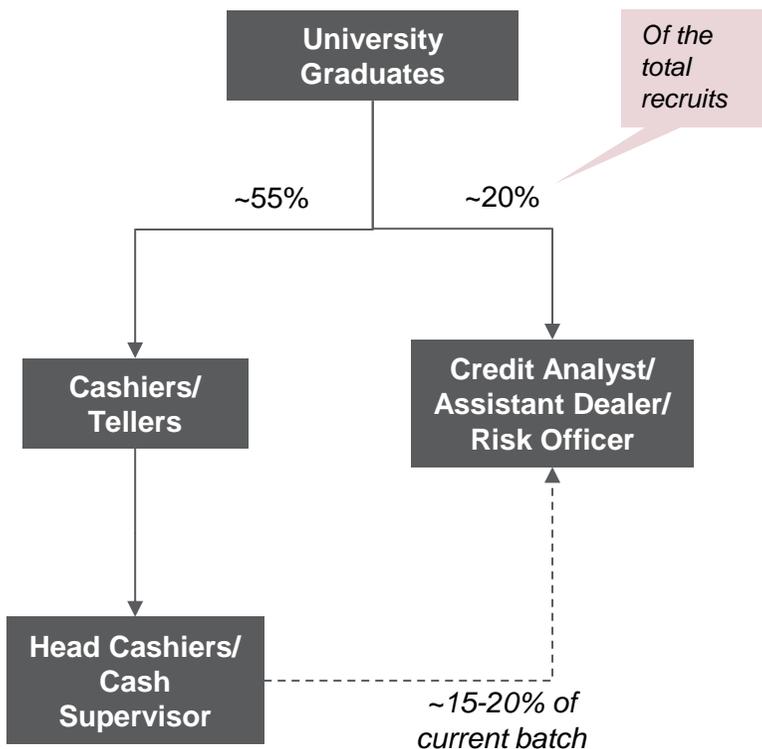
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FSPs: Entry Level – Banks

~55% of the university graduates recruited are hired for clerical roles such as tellers and cashiers; some banks recruit university graduates directly for the officer role

- A Entry Level (Banks)
- 1 Demand and Skills Gap



	Entry Level		Junior-Experienced
	Clerical	Officer	
Qualification Required	- Bachelors degree in a business related field or in other relevant disciplines* - Some banks may hire diploma/certificate holders	Bachelors degree in a business related field or in other relevant disciplines*	Bachelors degree in a business related field or in other relevant disciplines*
Certifications Required	None		
Years of Experience	None	May require 1-2 years experience	1-3 years
% of total recruits	~55%	~20%	~20%
Typical Position/Designation	Teller, Cashier, etc.	Relationship Management Trainee, Credit Management Trainee, Assistant Dealer etc.	Relationship Officer, Procurement Officer, Loan Officer, Community Organizer etc.
Roles and Responsibilities	<ul style="list-style-type: none"> • Service customer complaints • Facilitate cash transaction • Posting / Filing applications • Process payments and handle cash etc. 	<ul style="list-style-type: none"> • Run basic credit analysis • Load retrieval • Track various instruments like derivatives etc. 	<ul style="list-style-type: none"> • Run credit and risk analysis • Check compliance • Participate in deals • Manage a small group of cashiers/ tellers etc.

Where do banks hire their entry level staff from?

Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16); Parthenon Research

*- Bachelors degree (BBA, BSc, B.Com) in a business related field, accounting qualifications (CPA), Engineering (B.Tech) degree in IT or Computer Science, Bachelors in Education, Law etc

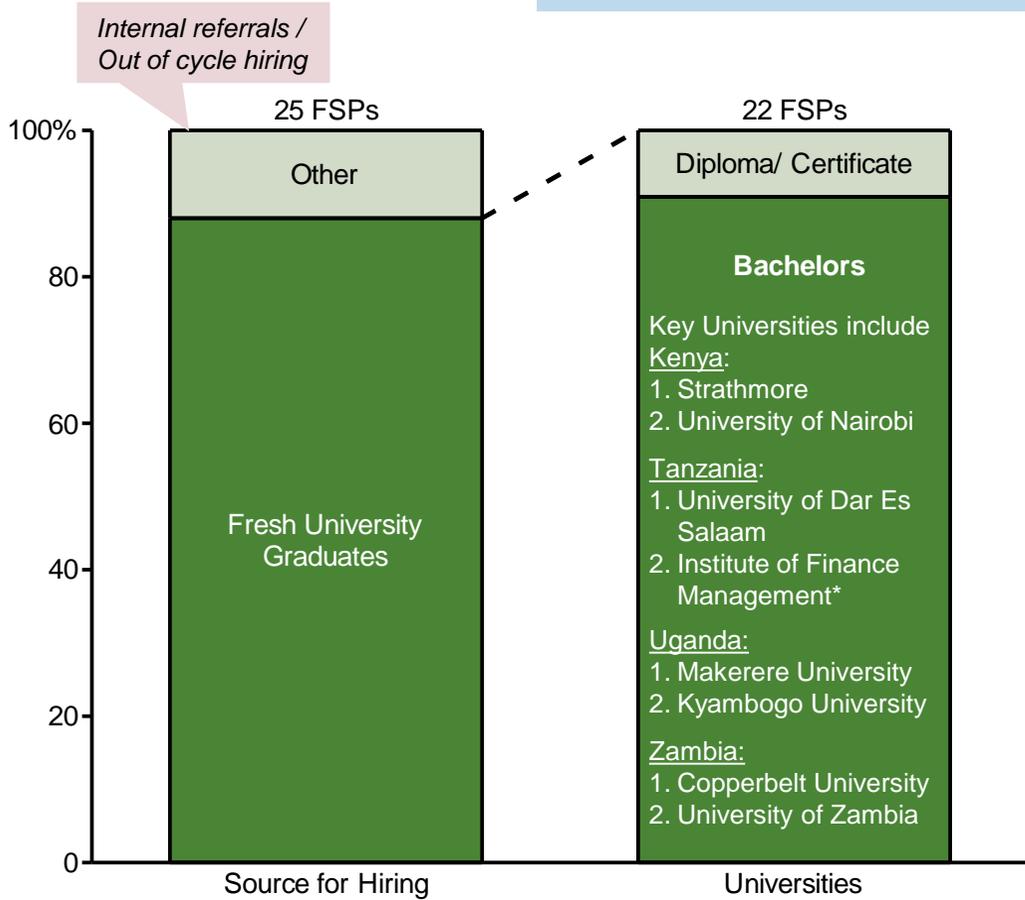


FSPs: Entry Level – Banks

**Banks hire students with bachelor’s degree from universities;
University graduates are considered of high quality**

- A Entry Level (Banks)
- 1 Demand and Skills Gap

Q: Where do banks hire entry level employees from?



“We hire only degree holders as there are enough such un-employed people in the market. We don’t have any discipline preference as we anyways have to train the students in everything”
 - **Director, Credit Management, Co – op Bank (Kenya)**

“We have a university degree as the minimum entry criterion. It is difficult to differentiate good quality students on any other grounds”
 - **GM Human Resources, Equity Bank (Uganda)**

“Banks have the mentality that B.Com. and BBA are tougher to get into and hence treat that as a proxy for quality. They prefer hiring better quality students irrespective of department than hiring from banking courses”
 - **Assistant Head of Training, Tanzania Institute of Bankers**

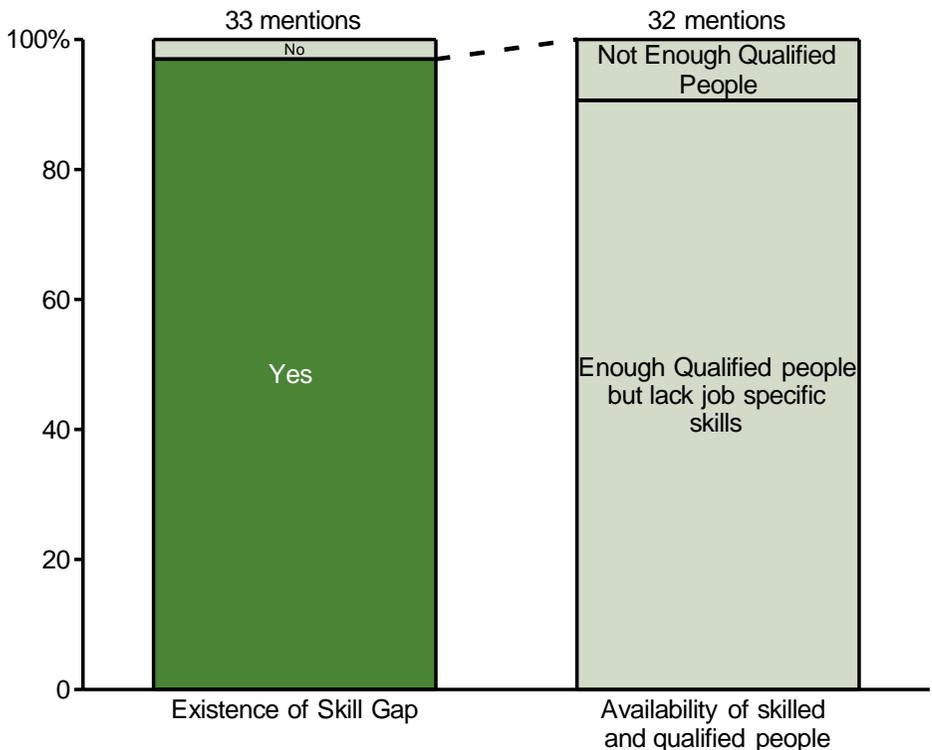
Are university graduates skilled enough?



*Institute of Finance Management is not a registered University, but course structure is very similar to a University
 Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Despite the sufficient supply of qualified (degree holders) in the market, banks still feel it is difficult to find sufficiently job skilled people

Q: Do you think there is a skills gap in the market?
Q: Is it a challenge to find qualified people or people of good quality, or both?



“The theoretical nature of courses coupled with the absence of an internship experience makes it difficult to find candidates with skills needed for day to day operations in a bank”

- **Human Resource Director, Diamond Trust Bank (Kenya)**

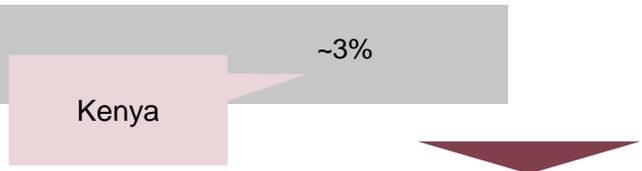
“There are definitely skill gaps in the market. University education is too theoretical in nature which means employees we get do not have the skills we are looking for”

- **Managing Director, Kenya Commercial Bank (Tanzania)**

“The education system was very bad in Rwanda before 2000’s, and anyone wanting good quality education had to go to France to study. As a result, the University education in the country is not very good, and is currently too theoretical for our needs”

- **Deputy HR, I&M Bank (Rwanda)**

Total Bank Intake as a % of University Graduates from Select Disciplines*



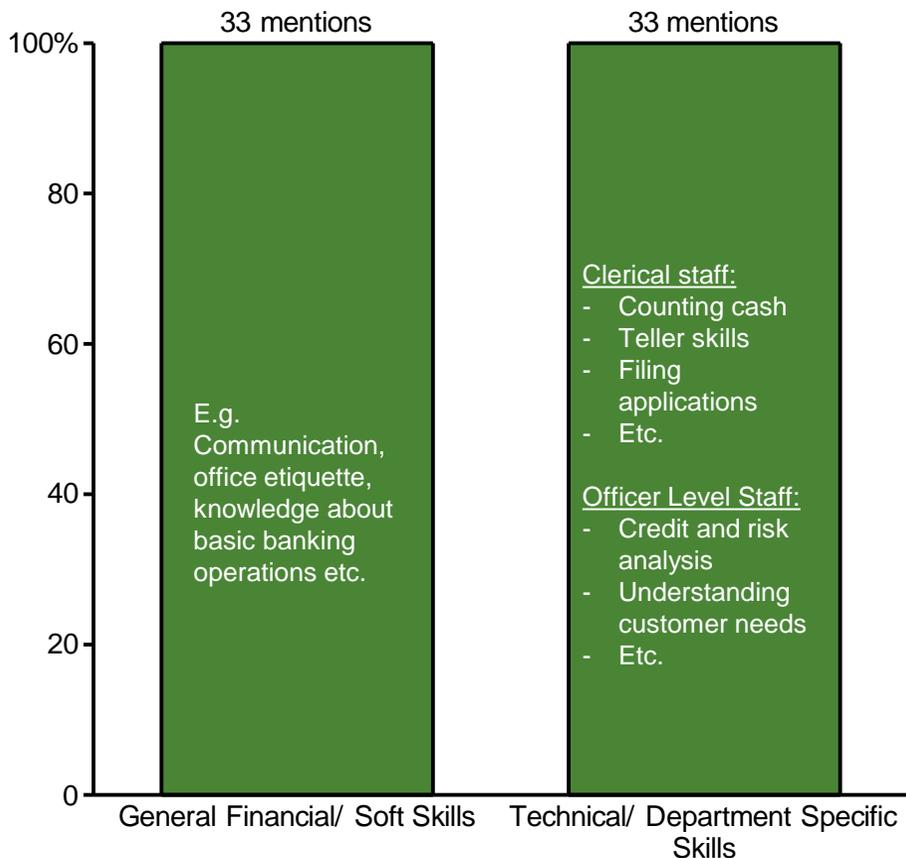
What skills do the new recruits lack?



* Relevant disciplines include business, commerce, science, education, law, IT and accounting
 Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

New recruits in the financial sector lack general financial and technical/ department specific skills for both clerical and office level positions

Q: What are the skills that new recruits lack?



“Fresh graduates we receive are smart, but lack both the basic financial literacy as well as the practical work related knowledge required to be work ready”

- **Head of HR, Kenya Commercial Bank (Kenya)**

“There has been an advent of new technology in the banking space, like the increased use of mobile technology and online banking. New employees lack skills in these”

- **Head of HR, Co-op Bank (Kenya)**

“There is a severe skills gap in the market, with employees lacking in technical as well as basic skills like communication, office etiquette etc.”

- **Head of HR, Commercial Bank of Africa (Tanzania)**

FSPs: Entry Level – Banks

Generic office skills and technical banking skills are key gap areas identified by banks

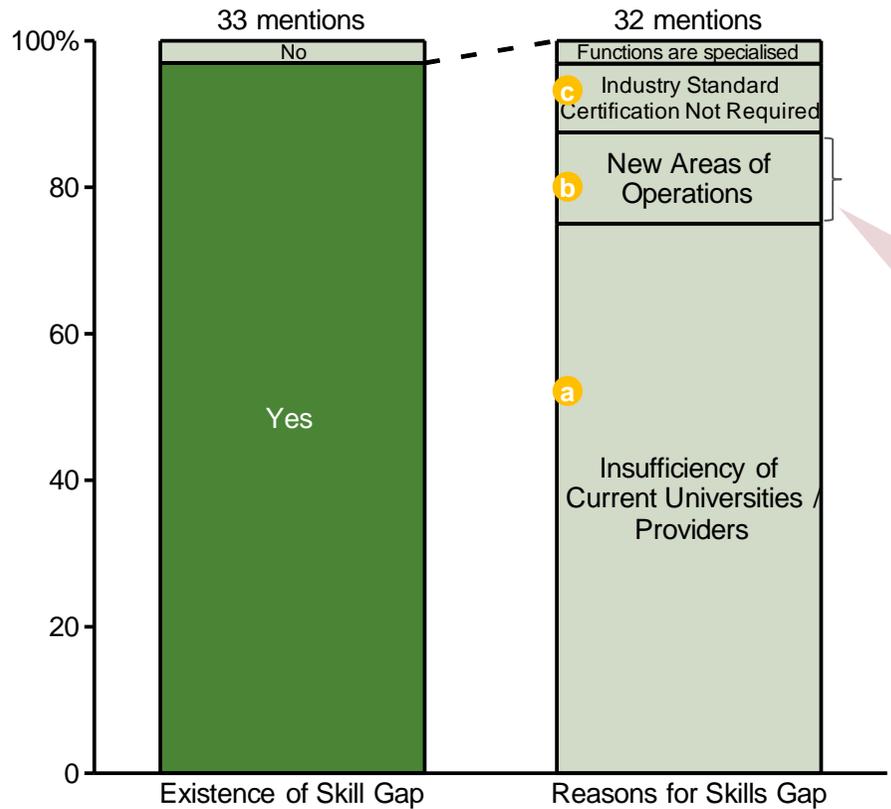
		Entry Level Employees	
		Clerical Staff	Officer Level Staff
Generic Skills	<ul style="list-style-type: none"> <u>Soft Skills</u> “College students we hire have not had any corporate exposure and hence lack basic skills like how to dress formally, office etiquette, communication, etc.” <u>Basic Office Skills</u> Work planning, time management, etc <u>Basic Financial Literacy</u> “We hire graduates from different backgrounds like business, engineering, arts etc. and hence they do not know even the basic functioning of a bank, like what happens when a cheque is written, what happens when a fund transfer is initiated, how to read a P&L and balance sheet etc.” 		
Technical/ Department Specific Practical Skills	<ul style="list-style-type: none"> Lack practical banking skills “The new employees lack practical job related skills of how to work in the bank. For example, skills like marketing of new financial services and products, management of CBS system and banking related computer packages, handling cash, documentation etc.” 		<ul style="list-style-type: none"> Lack department specific technical skills “New employees lack the technical skills required to work in a department. For example, credit analysis, understanding and dealing with various financial products, working on deals etc.”
Technical skills in New Areas	<ul style="list-style-type: none"> <u>New technology adoption</u> “As a teller is dealing with a customer, it is also his job to tell the customer about other schemes and products that may be beneficial for him. Hence, the teller also needs to know about all the new products and services like mobile banking, online banking etc. that the bank is offering” 		<ul style="list-style-type: none"> <u>SME financing/ Project financing</u> “New sectors like oil & gas, minerals, agriculture etc. have come up. This requires longer term project financing skills. However, employees lack skills like how to evaluate a formal business, to evaluate a balance sheet and a P&L etc. which are essential for SME and project financing” <u>New technology adoption</u> Mobile banking (M PESA), e-banking etc.



Why does the skills gap exist?

Generic nature of undergraduate education, expansion into new products & services and lack of requirement of industry wide standard certification by banks are the main reasons for the skills gap

Q: Do you think there is a skills gap in the market?
Q: Why do you think the skills gap exists?



“We want ready bankers to walk into our door. However, university education is too theoretical/ academic in nature. Also, the trainers there have been out of touch with the industry, hence their content is out of date and not aligned to what we want”

- **Managing Director, Kenya Commercial Bank (Kenya)**

“As we move into new areas like agriculture, project financing for SME etc. we need people who understand these businesses. However, there are no people with required skills in these areas.”

- **General Manager, Learning and Leadership Development, Equity Bank (Kenya)**

“Most people coming into banks are not sure that they want to be bankers. There is a need for a career defining certification like the CPA for accounting, to ensure that only people who want to be bankers come here”

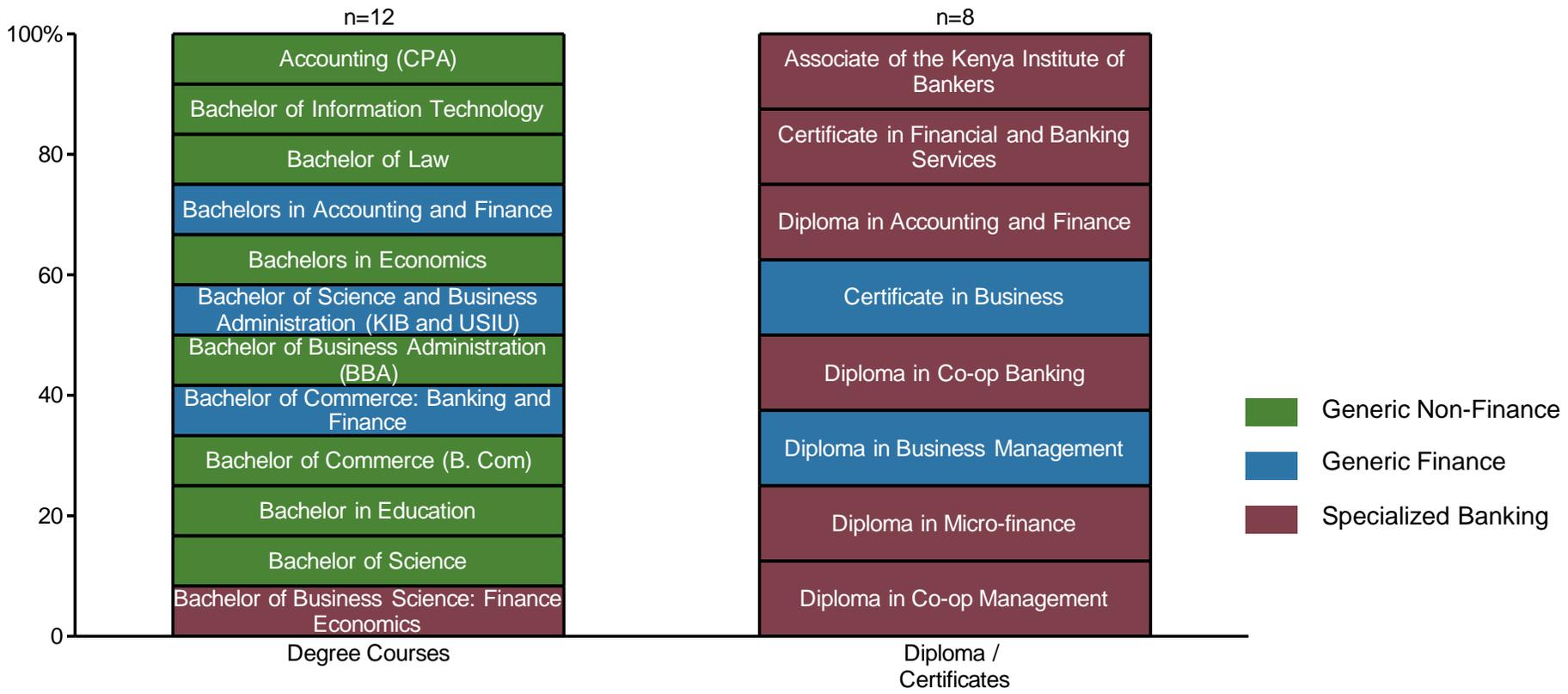
- **Chief Operating Officer, Bank of Kigali (Rwanda)**

FSPs: Entry Level – Banks

Most university courses are generic in nature while specialized banking certificate and diploma holders are not recruited by banks

- A Entry Level (Banks)
- 1 Demand and Skills Gap
 - Why is there a skills gap?
- a Insufficiency of Current Provider

Classification of Degree and Certificate/Diploma Courses, Across EAC



% of Total Bank Recruits	95%	5%
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The course profile includes providers across all EAC countries
 Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16); Parthenon Research

FSPs: Entry Level – Banks

Universities offer generic degrees while most other providers offer specialized bank certifications and trainings; Banks hire from universities and use specialized providers to supplement on the job training

- A** Entry Level (Banks)
- 1** Demand and Skills Gap
Why is there a skills gap?
- a** Insufficiency of Current Provider

	Degree Providers		Providers Offering Certifications	
	Universities	Other Providers	Co-Operative University – College of Kenya	Institute of Bankers
Example Institutions	<ul style="list-style-type: none"> • Strathmore • Kampala University • University of Dar Es Salaam • Makerere University • Kyambogo University • Copperbelt University 	<ul style="list-style-type: none"> • Kenya School of Monetary Studies • Institute of Finance Management • School of Finance and Banking 		<ul style="list-style-type: none"> • Kenya Institute of Bankers • Tanzania Institute of Bankers • Uganda Institute of Banking and Financial Services • Zambia Institute of Banking and Financial Services
Sample Courses Offered	<ul style="list-style-type: none"> • Bachelors of Commerce • Bachelor of Business Science: Finance/ Financial Economics • Diploma in Business Management (Finance Track) • Master of Commerce 	<ul style="list-style-type: none"> • Masters in Banking, Finance, Economics etc. in collaboration with JKUAT • Diploma in Business Science • AKIB prep courses • Bachelor of Banking and finance 	<ul style="list-style-type: none"> • Bachelors of Commerce • Bachelors of Business Studies • Diploma in Co-Op Banking • Diploma in Co-Op Management 	<ul style="list-style-type: none"> • Certificate in Banking and Financial Services (CBFS) • Associate of the Kenya institute of Bankers • Bachelor of Science in Business Administration (with USIU) • Banking Certificate • Certified Professional Banker • Banking Diploma • Advanced Banking diploma
Duration	2 years – 4 years	1 year – 3 years	1 year – 3 years	1 year – 3 years
Recruitment by Banks	✓	✓	✗	✗

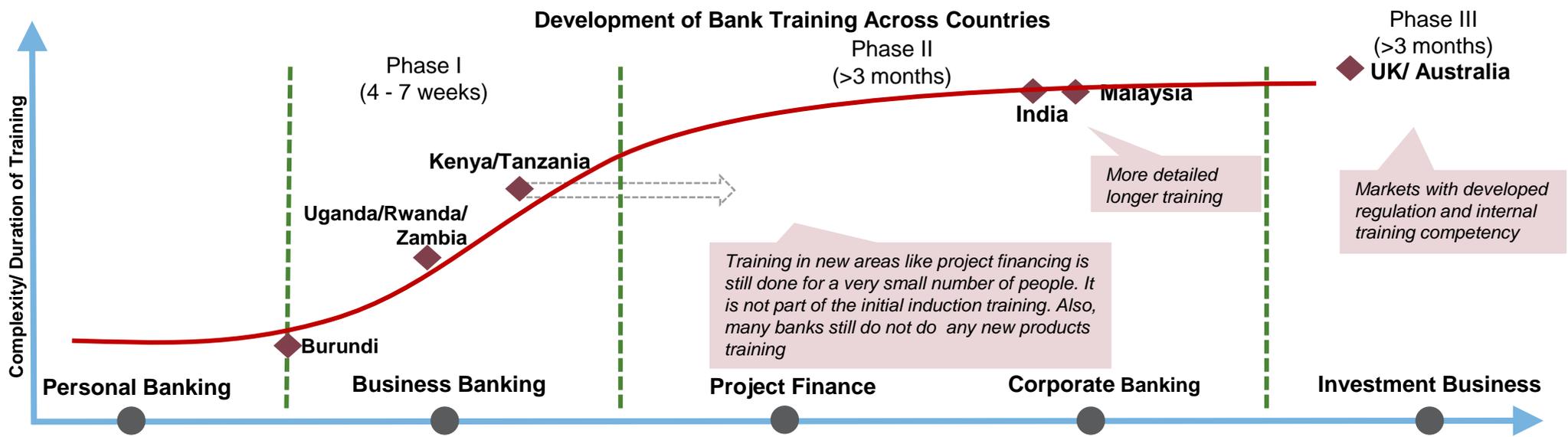
No Institute of Bankers in Rwanda

- Universities
- Other Providers



FSPs: Entry Level – Banks

Financial sector in Kenya and Tanzania is more evolved than rest of EAC; The complexity and need for training increases as the sector develops



- The evolution begins with personal banking business
- Following are the major product offerings:
 1. Deposit Products
 2. Loan Products
 3. Wealth Management services
 4. Credit Cards and Debit Cards

- Steady growth of the personal banking brings a larger asset base to expand into business banking
- Following are the major products:
 1. Business Loans
 2. Business current accounts
 3. Forex
 4. Cash management services

- The emergence of project finance is based on the key relationships nurtured through the business banking division
- Following are the major lending verticals:
 1. SME
 2. Oil and Gas
 3. Real Estate
 4. Heavy Industries
 5. Agriculture

- Based on existing relationship network banks expand into corporate banking to focus on high margin products.
- Following are the major products:
 1. Transaction Banking
 2. Treasury Banking
 3. Investment Banking
 4. Structured Finance

- Growth of the core banking business allows banks to expand into high risk investment business
- Following are the major products:
 1. Private Equity
 2. Mutual Funds
 3. Securities
 4. Private Banking Solutions



- A** Entry Level (Banks)
- 1** Demand and Skills Gap
 - Why is there a skills gap?
- C** Industry Standard Certification Not Required

FSPs: Entry Level – Banks

Centralized banking skills certification exist in Kenya and Tanzania, but is used for existing bankers rather than as an entry requirement

	Mandatory for Bank Job	Entry Requirements	Acceptance by Financial Institutions	
Kenya	Certificate in Banking and Financial Services (CBFS)	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Must be member of KIB Must have attained <u>at least a C plain in English and Mathematics at the KCSE</u> 	<ul style="list-style-type: none"> <u>Banks do not consider this CBFS certification for entry level jobs</u>, as they do not meet minimum requirement of being college graduates This certification is considered by MFI's for entry level positions of Loan officer and Community Organiser
	Associate of the Kenya Institute of Bankers (AKIB)	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Must be a university graduate Must (if not a university graduate) have CBFS. Must be a registered member of the KIB, and employed in the financial sector 	<ul style="list-style-type: none"> AKIB certification is not a pre requisite requirement by any bank for a job position or promotion.
Tanzania	Banking Certificate	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Must be a Form VI leaver Holder of Certificate from NBMM 	<ul style="list-style-type: none"> <u>Banks do not consider banking certificate for entry level jobs</u>, as they do not meet minimum requirement of being college graduates
	Associate Banking Diploma (ABD)	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> TIOB/CIB Banking Certificate holder Must be a university graduate If not above then holder of CPA certification 	<ul style="list-style-type: none"> <u>Bank do not consider the ABD as a prerequisite for any jobs or promotions</u>. It is sought for as an additional qualification to help in promotion etc.

1. CBFS/ Banking Certificate:
 - It is a legacy course that banks used to ask for previously as most employees joining banks 10-15 years back were not degree holders. However, banks only hire graduates now and hence CBFS students do not even meet the minimum criterion
 - The course is primarily being used by older existing employees to further their chances at promotion
 - It is a dying course
2. AKIB/ ABD:
 - The course can help current employees improve chances of promotion
 - It is not a prerequisite for any bank



FSPs: Entry Level – Banks

Similarly, certification also exists in Uganda and Rwanda but are used by existing bankers rather than as an entry requirement; Rwanda does not have any such certifications

- A** Entry Level (Banks)
- 1** Demand and Skills Gap
Why is there a skills gap?
- C** Industry Standard Certification Not Required

	Mandatory for Bank Job	Entry Requirements	Acceptance by Financial institutions
Uganda	Banking Certificate	<ul style="list-style-type: none"> No Uganda Advanced Certificate of Education (UACE) with 1 principal pass or equivalent 	<ul style="list-style-type: none"> Banks do not consider this banking certificate for <u>entry level jobs</u>, as they do not meet minimum requirement of being college graduates
	Certified Professional Banker (CPB)	<ul style="list-style-type: none"> No Completion of the banking certificate 	<ul style="list-style-type: none"> The CPB is not a pre – requisite for any <u>banking job</u>. It is sought for as an additional up – skilling qualification for promotions etc.
Zambia	Professional Diploma in Banking and Financial Services	<ul style="list-style-type: none"> No Minimum 12 months experience in a financial institution Grade 12 certificate 	<ul style="list-style-type: none"> Banks do not consider banking certificate for <u>entry level jobs</u>, as they do not meet minimum requirement of being college graduates
	Advanced Professional Diploma	<ul style="list-style-type: none"> No Completion of Professional Diploma Renewal of annual subscription 	<ul style="list-style-type: none"> Bank do not consider the ABD as a <u>prerequisite for any jobs or promotions</u>. It is sought for as an additional qualification to help in promotion etc



Is certification a necessary entry requirement for banks in other developing markets?

Countries like Malaysia and India also have centralised banking skills certifications; they are also used by existing bankers rather than as an entry requirement

- A** Entry Level (Banks)
- 1** Demand and Skills Gap
 - Why is there a skills gap?
- C** Industry Standard Certification Not Required

Central Banking Accreditations, India and Malaysia

	Mandatory for Bank Job	Certification Issuing and Accreditation Body	Target Student Body	Acceptance by Financial Institutions
Certificate of Associate by Indian Institute of Bankers (CAIIB), India	<ul style="list-style-type: none"> • No 	Indian Institute of Banking and Finance (IIBF)	<ul style="list-style-type: none"> • Targets working professional with 1- 2 years of experience 	<ul style="list-style-type: none"> • Not a pre requisite requirement by banks • Is preferred. Taken into consideration while promotion and pay increase
Professional Credit Certification (PCC), Malaysia	<ul style="list-style-type: none"> • No 	Institute of Bankers Malaysia	<ul style="list-style-type: none"> • Targets all levels of employees and learners 	<ul style="list-style-type: none"> • Not a pre requisite requirement by banks • Is preferred. Taken into consideration while promotion and pay hike



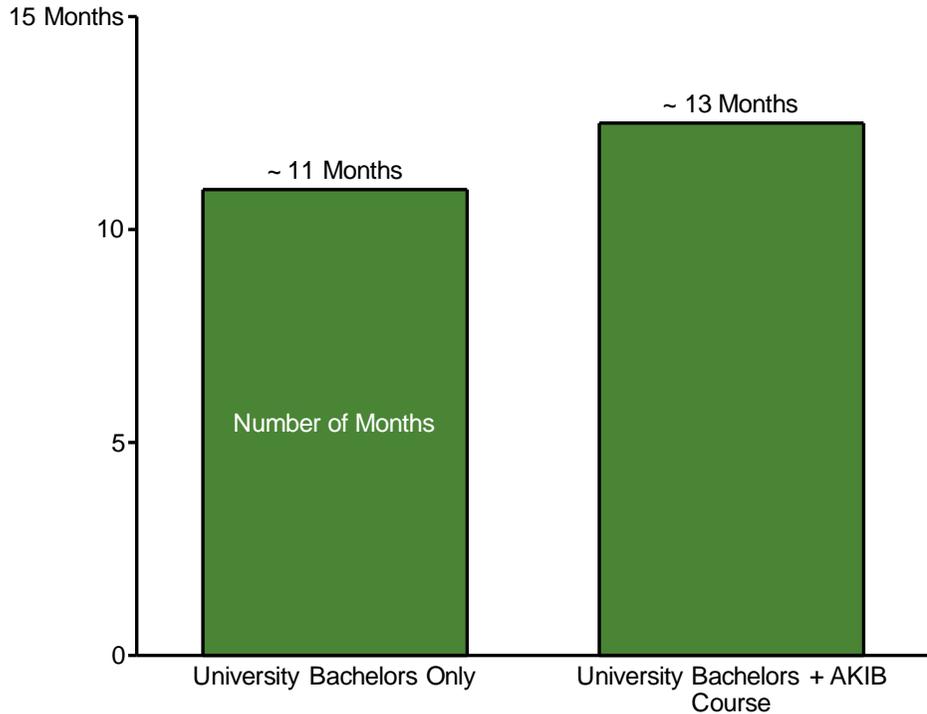
Mandatory industry standard certification is not required in other developing markets as well

FSPs: Entry Level – Banks

The lack of requirement and recognition through additional monetary benefit (higher salaries) make these courses unattractive for students

- A** Entry Level (Banks)
- 1** Demand and Skills Gap
 - Why is there a skills gap?
- C** Industry Standard Certification Not Required

Payback Period For University Graduates



“Since post-graduation one can directly enter a bank, it serves no point to invest 12 more months and start at the same job level as directly after university”

– University Graduate, University of Nairobi

Significant investment in infrastructure required to establish an industry wide standardized certification as a pre-entry qualification for employment in FSP

Total Fee (Ksh.)	700K	800K
Average Annual Salary (Ksh.)	768K	768K



Industry standard mandatory certification for securing employment in banks is not an efficient solution



*Note: Average Salary is taken for a loan officer position at a private commercial bank; The fees for the university is taken as an average fees of \$2500 with an average course duration of 3.5 years; Additional fee calculated as the fee required to complete 8 units of the AKIB including membership, tuition and examination fee

Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

FSPs: Entry Level – Banks

Banks respond to skills gap by either providing training or poaching. Poaching is quite prevalent at the junior experienced staff level

	Poaching	Provide Skill Training
Entry Level (0- 1 years)		<ul style="list-style-type: none"> • 4-7 week induction and orientation program
Junior Experienced (1-3 years)	<ul style="list-style-type: none"> • High level of poaching due to presence of experience and basic practical banking skills; also employees at this stage have high appetite for changing jobs 	<ul style="list-style-type: none"> • Department specific training on technical skills

Junior experienced staff

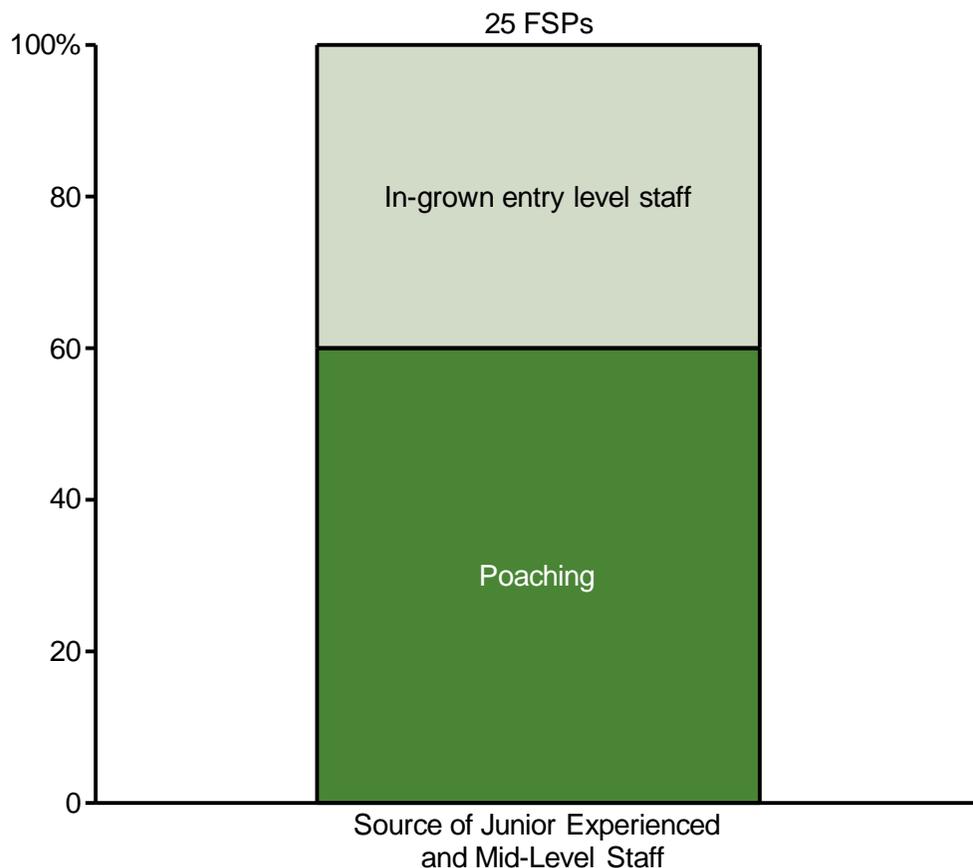


**Is poaching a major source of recruitment in this market?
 Is poaching a sustainable option?**

FSPs: Entry Level – Banks

~60% of the staff in banks at the junior experienced and the mid management level is recruited via poaching

Q: What is your main source of hiring new employees at the junior – experienced and mid-management level?



“Students have a very high appetite of changing jobs in the initial part of their career. As a result we face a lot of attrition during the first few years. Almost 70% of our staff with 2 to 5 years of experience is poached”

- **Head of Human Resource, Commercial Bank of Africa (Tanzania)**

“We face a very stiff attrition rate at the initial stages. As a result, out of every 10 mid level managers we have, 5 to 6 have been poached from other banks”

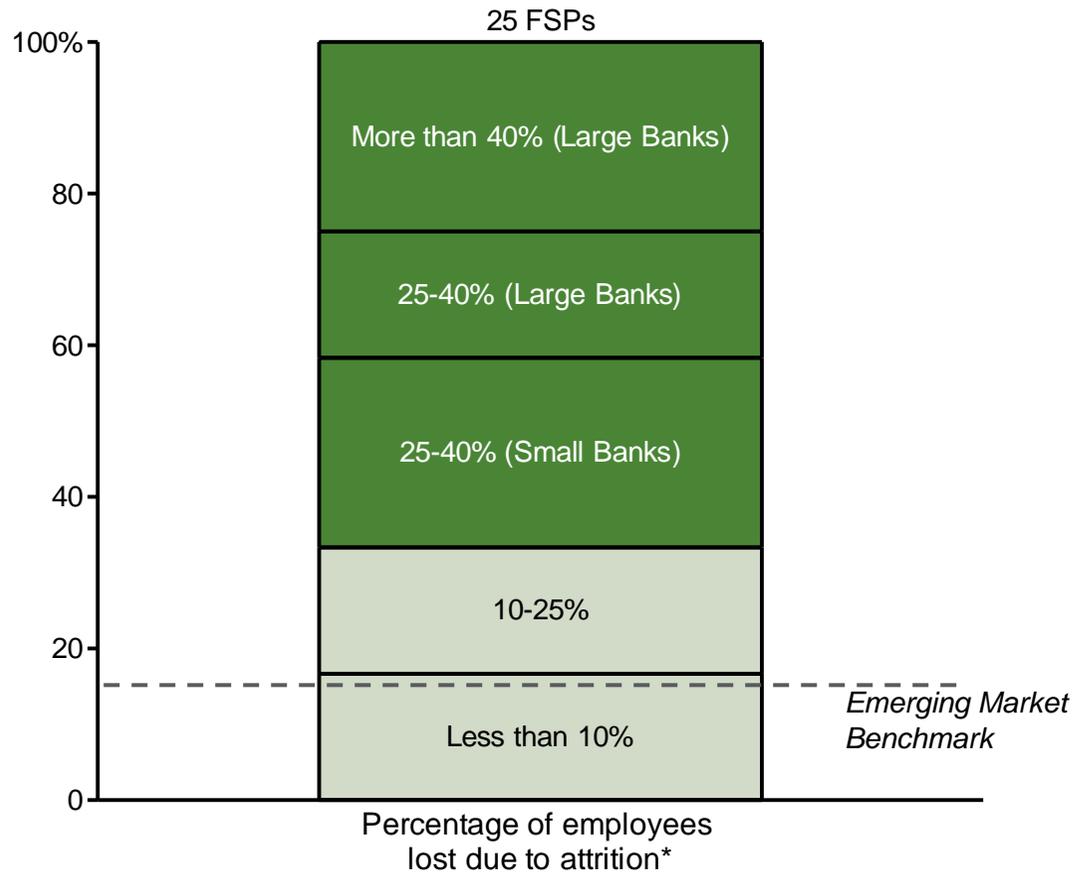
- **Managing Director, Kenya Commercial Bank (Tanzania)**

FSPs: Entry Level – Banks

~60% of the banks interviewed face annual attrition of more than 25% due to poaching

- A Entry Level (Banks)
- 1 Demand and Skills Gap

Q: How many people do you lose due to staff attrition*/ people being poached by other banks?



“Most smaller banks lack the capacity and resources to provide extensive training. They are growing fast and hence concentrate on business expansion, thereby side-tracking training. Hence, they rely a lot on poaching to fulfil staff requirement”

- **Managing Director, Kenya Commercial Bank (Kenya)**

“We have a staff attrition rate of almost 25%, wherein employees leave us as soon as 6 months after completing training. We have to factor in this additional cost of “training lost” as a market reality”

- **General Manager, Learning and Leadership Development, Equity Bank (Kenya)**

“There are examples in the market where managers have worked in more than 12 banks in the last 5 to 8 years of their career”

- **Head of Credit Department, Co-op Bank (Kenya)**

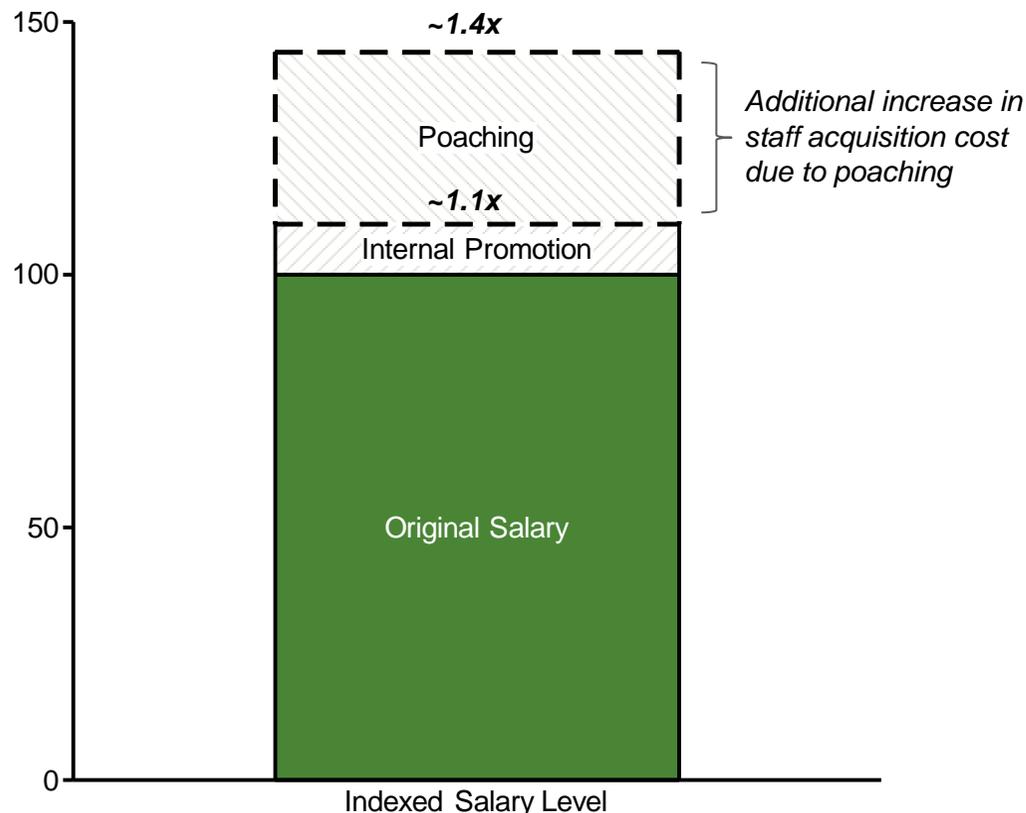


* This includes attrition across all employee levels
 Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

FSPs: Entry Level – Banks

Poaching of experienced junior staff from other institutions leads to cost escalation by ~40%

Indexed Staff Acquisition Cost for a Typical Bank in EAC



“Poaching leads to much higher acquisition cost for us. As we scale in this market, we cannot keep using poaching as a sustainable solution “

- **Head of Human Resource, Commercial Bank of Africa (Tanzania)**

“In order to compensate for the staff attrition, we are training a larger batch than required at the entry level, as it is cheaper to train more employees at the entry level than to poach slightly experienced people”

- **Head of Human Resource, Commercial Bank of Africa (Kenya)**

Poaching is not a suitable method of recruitment

FSPs: Entry Level – Banks

Training infrastructure in Kenya and Tanzania is different than in Uganda, Rwanda and Zambia

	Kenya and Tanzania	Uganda, Rwanda and Zambia
Areas of skills gap	Skills gaps exists for generic and technical skills. <i>Banks have also started realising the gap for new products training</i>	Skills gap exist for generic and technical skills
Type of Provider used	Banks rely both on a combination of internal and external providers	Banks <u>rely much more on internal training than on external providers</u> due to non-availability of good providers (both private and central) in the market

FSPs have been interviewed to understand the current training solutions, the challenges faced by them and their perspectives on collaboration

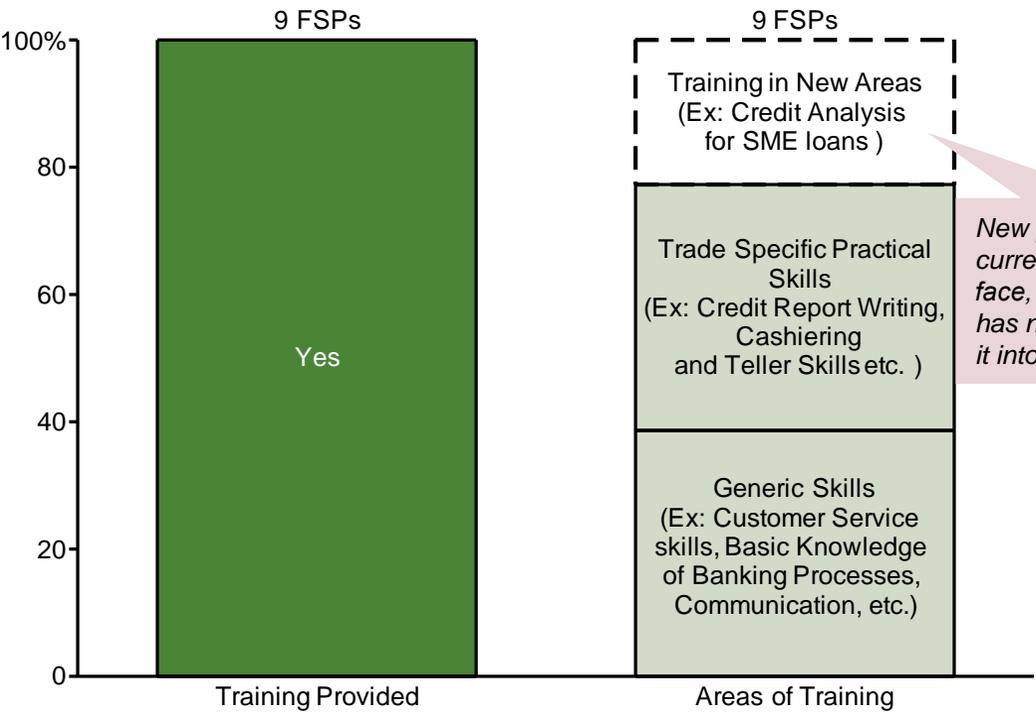
	Training Infrastructure		Collaboration
	a What training are banks currently undertaking to address the gap?	b Satisfaction and challenges faced in providing and growing training	Bank perspective on collaborative solution
Current Structure	<ol style="list-style-type: none"> 1. What are the main topics covered? 2. Is the training done in-house or externally? 3. What type of providers are used? 4. Are courses accredited? 	<ol style="list-style-type: none"> 1. Satisfied with the current amount and level of training? 2. Challenges faced in providing more training? 	<ol style="list-style-type: none"> 1. Have banks collaborated in the past? 2. Can a collaborative solution work in this market? 3. Potential challenges faced in setting up a collaborative solution?
Key Potential Pain Points	<ol style="list-style-type: none"> 1. Is the quantity and quality of training sufficient? 	<ol style="list-style-type: none"> 1. Cost 2. Time 3. Quality 4. Perception 5. Staff attrition 	<ol style="list-style-type: none"> 1. Competitiveness among banks 2. Lack of initiative 3. Perception around customization 4. Lack of focus
Implications to Future Collaboration	<ol style="list-style-type: none"> 1. Is the training substitutable? 2. Can centralised training be provided? 3. What institutions can potentially act as centralized trainers? 	<ol style="list-style-type: none"> 1. Do all FSPs face similar challenges? 2. Can collaboration help in addressing all these challenges? 	<ol style="list-style-type: none"> 1. Are banks willing to collaborate? 2. What challenges need to be addressed for collaboration to work

FSPs: Entry Level – Banks

All banks interviewed provide training to their new employees; Regular training is provided across generic and trade specific skills, while training in new areas is still not a part of the initial training

- A** Entry Level (Banks)
- 2** Training Infrastructure Kenya and Tanzania
- a** What trainings are banks currently doing?

Q: Do you provide training to your new hires to make them job ready?
Q: What training do you provide to your new hires?



New product training is currently a need that banks face, but the bank's training has not evolved to incorporate it into the initial induction

"We focus on providing basic foundation courses during the training programs as we believe that most skills would be learnt by them on the job"
 - **Director of Operations, SMEP (Kenya)**

"We tend to provide structured training over the first two years, though initially we only focus on basic technical skills and then after ~1 year give advanced training for department specific skills"
 - **Director of Credit Department, Co – Op Bank (Kenya)**

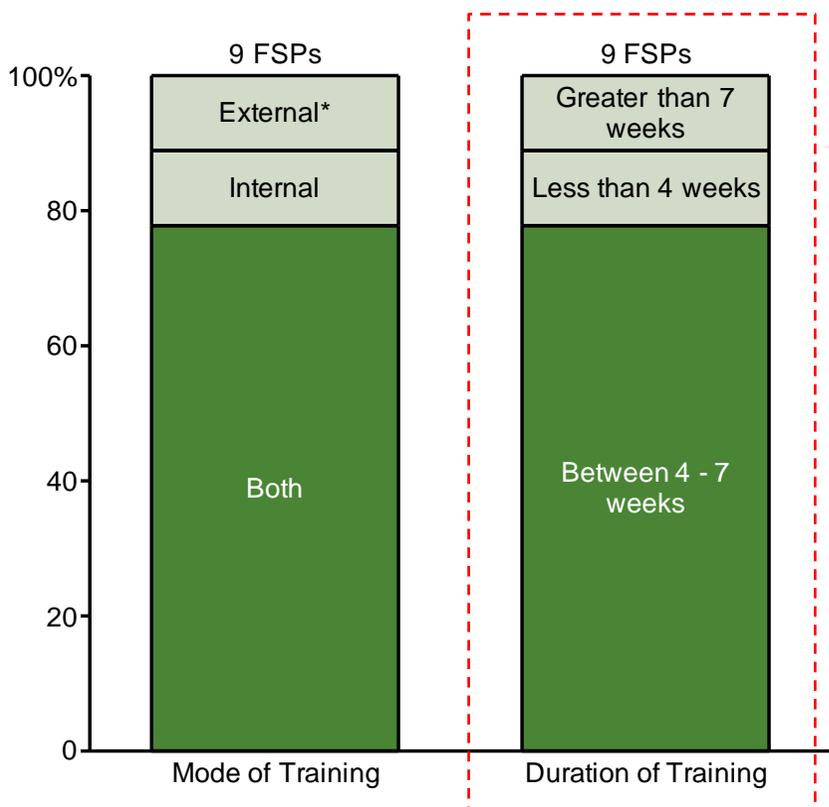
"As most of the new hires lack knowledge about banking products and departments we focus on giving them working knowledge on basics of banking"
 - **Human Resource Business Partner, Kenya Commercial Bank (Kenya)**



FSPs: Entry Level – Banks

~80% of banks use both internal and external providers; ~80% of them have a training program of ~4 – 7 weeks duration

Q: Do you use an external or an internal trainer for this training ?
Q: What is the length of your training program*?



The 4-7 week training consists of 2 parts

- Initial Induction Training (1-3 weeks)
 This is done for all employees and covers introduction to the banks, basic banking processes, product and services, etc.
 There will be an additional on the job training for cashiers and tellers on the banking system
- Department Specific Technical Training (1-3 weeks):
 This may happen either right after the induction or later when the employee subsequently joins a department like credit or treasury.

“While our basic induction training is done by individual department heads, we use external providers like Euromoney and Marcus & Evans to come in and do technical training for us”

- **HR Director, Commercial Bank of Africa (Tanzania)**

“As we feel the need to customize our courses based on the specific needs of our bank, all our courses are done in house”

- **GM Learning and Leadership Development, Equity Bank (Kenya)**

“The initial induction training and subsequent department classroom training lasts for about 5-6 weeks”

- **HR Director, CRDB Bank (Tanzania)**

How long is the training compared to other countries?



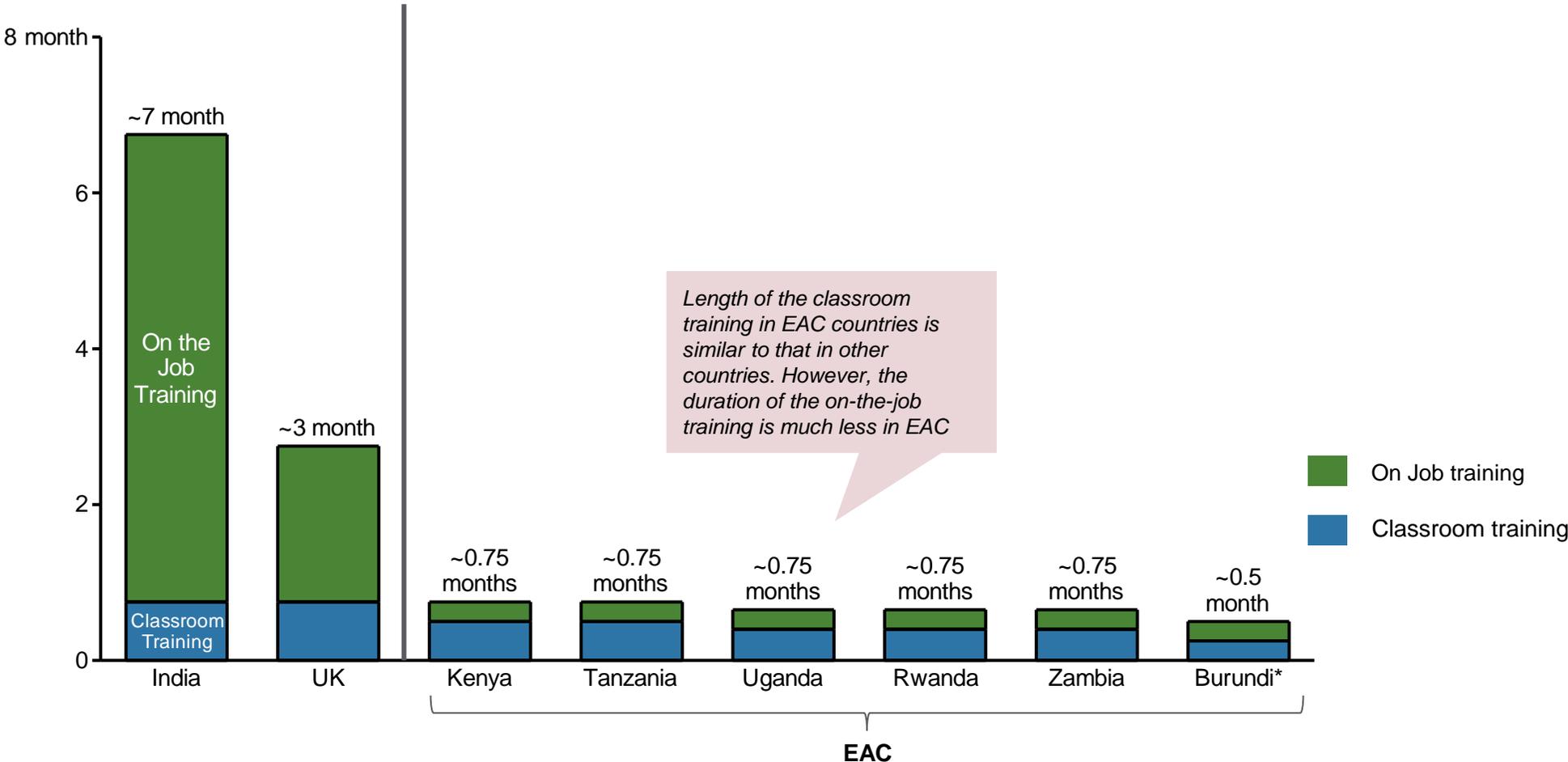
* FSP's that do not use any internal resources for training
 Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

FSPs: Entry Level – Banks

Duration of on the job training for clerical position is ~1 week, which is 8x to 24x lesser than the on the job training in UK and India

- A Entry Level (Banks)
- 2 Training Infrastructure
Kenya and Tanzania
- a What trainings are banks currently doing?

Training Duration (Months) For Entry Level Employees (Clerical Level Positions) Across Countries



*Based on the single interview done in Burundi
 Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16), Expert Interviews

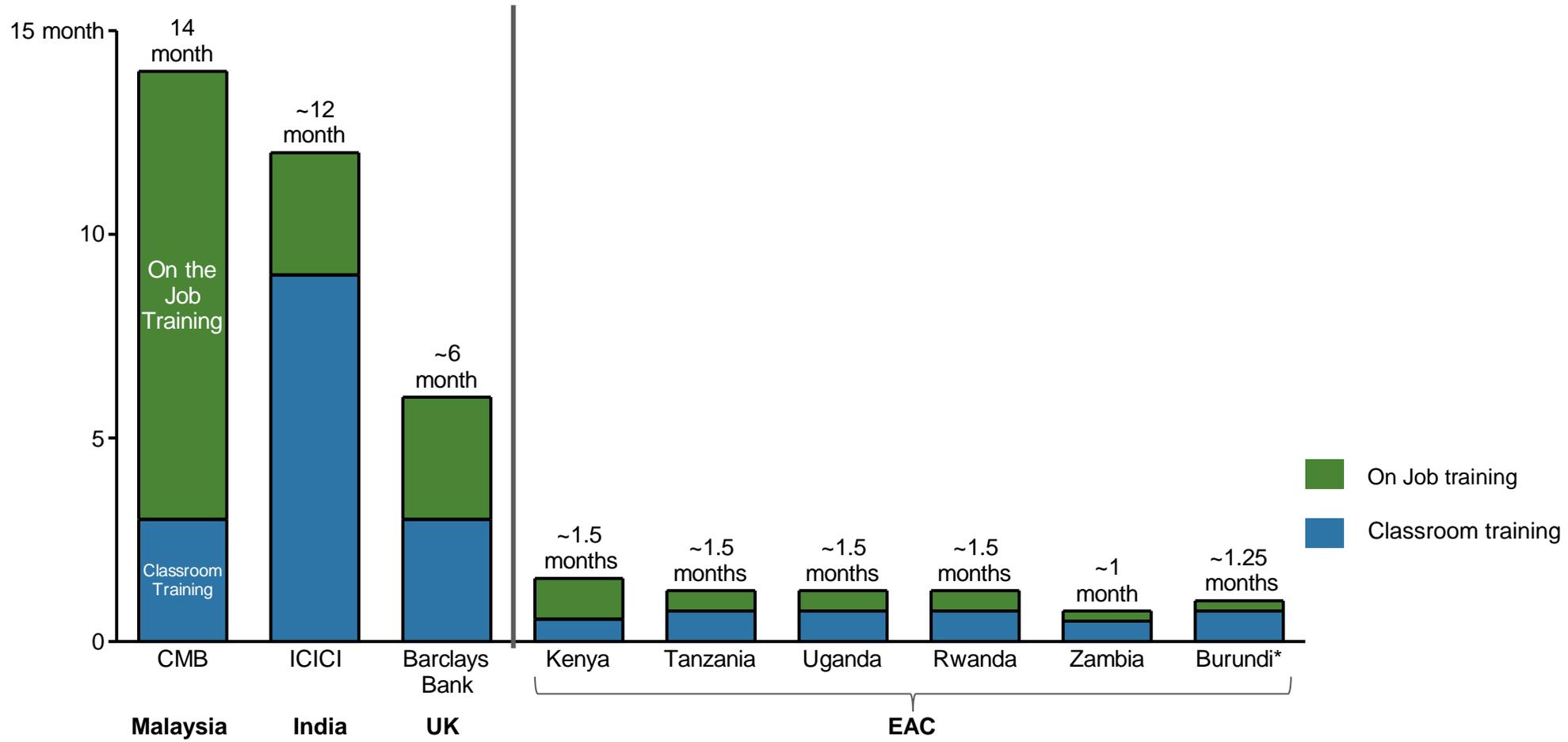


FSPs: Entry Level – Banks

The training duration for banks in EAC for entry level (officer) position is 4x to 8x shorter than in other countries like UK and India

- A Entry Level (Banks)
- 2 Training Infrastructure
 - Kenya and Tanzania
 - a What trainings are banks currently doing?

Training Duration (Months) For Entry Level (Officer) Positions Across Countries

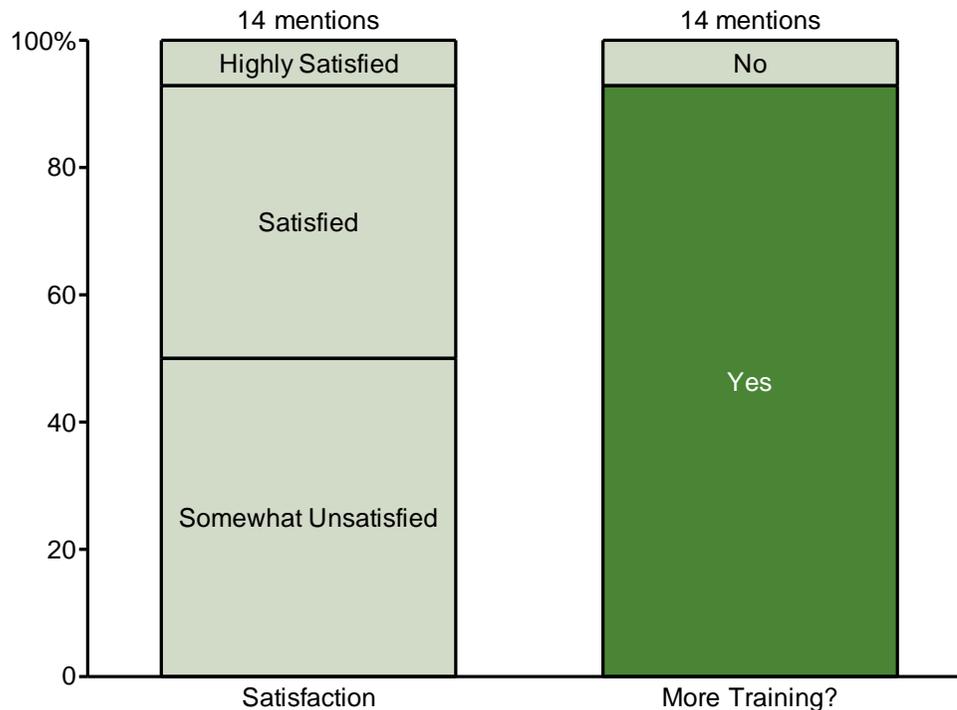


*Based on the 1 interview done in Burundi
 Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16), Expert Interviews

FSPs: Entry Level – Banks

~50% of the banks are satisfied with their current training but most would ideally like to do more of it

Q: How satisfied are you with your current training? *(Please rank between 1 and 7 with 1 being highly dissatisfied and 7 highly satisfied)*
Q: Would you ideally like to do more training?



“There is always pressure on us to complete the training as soon as possible. Hence, it is always a challenge to pick and choose topics for the training. Ideally, the training should be much longer so as to cover all topics”

- **Director, Credit Management, Co – op Bank (Kenya)**

“Even though the employees pick up most skills during training and can learn the rest on the job, we would ideally like the training to have a much wider scope”

- **Managing Director, Kenya Commercial Bank (Tanzania)**

“I would ideally like to train the employees for 3-4 months and then get them into the bank. However, due to time constraints we have to complete it all in 4-5 weeks”

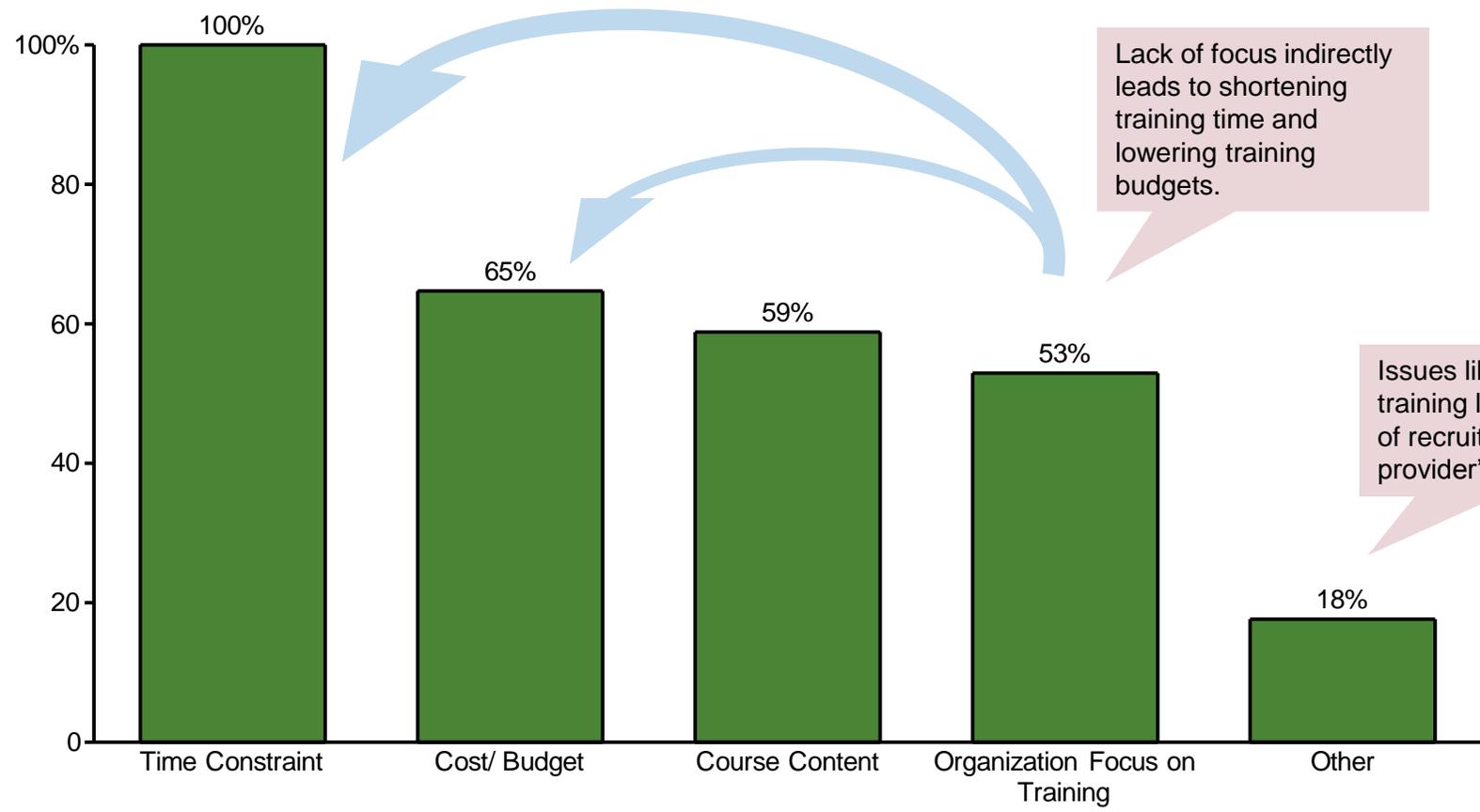
- **HR Director, CRDB Bank, (Tanzania)**

What challenges do banks face in their current training?

FSPs: Entry Level – Banks

Time, cost, content and lack of strategic focus are the main challenges that banks face with their current training

Q. What challenges do you face in your current mode of training?
 (% of people mentioning that issue as a challenge)



FSPs: Entry Level – Banks

Banks face several challenges in their current implementation of training

Type of Provider	Time	Cost	Course Content	Focus
	Internal and External	Internal and External	External	Internal and External
Key Issues	<ol style="list-style-type: none"> 1. Banks want employees to start working immediately, hence time for training is highly constrained 	<ol style="list-style-type: none"> 1. <u>Trainer/ Logistics Cost</u> Very Expensive 2. <u>Staff Attrition</u> “Sunk cost” due to staff leaving after training 3. <u>Opportunity Cost</u> Loss in productivity of internal resources 	<ol style="list-style-type: none"> 1. <u>Course Content not aligned with needs</u> 2. <u>Lack of Practical Skills</u> Too academic/ theoretical 3. <u>Course content not updated</u> 	<ol style="list-style-type: none"> 1. <u>Lack of Focus on training</u> 2. <u>Lack of Strategic HR</u>
Commentary	<p>“Our course review committee is constantly struggling to fit maximum content in the 4 weeks given to them. It is always a struggle to decide what to keep and what to remove” - Director, Credit Management, Co-op Bank</p>	<p>“External trainers cost us Ksh 6000 per student per day, while using in-house resources I can do it in Ksh 2000” - Director, Credit Management, Co-op Bank</p> <p>“Whenever we use our own people to train, they will keep cancelling as they will have other work to attend to. They view it as a loss of productivity” - Head of HR, Commercial Bank of Africa (Kenya)</p>	<p>“There are several new technologies like mobile banking (M-PESA) that have come into banking. The people and courses at KIB are not up-to-date with the dynamically changing financial sector” - Manager HR, Equity Bank (Kenya)</p>	<p>“Training is not our core business. Any cost that we spend on training is an additional cost that we have to bear” - Managing Director, Kenya Commercial Bank (Kenya)</p>
Can it be solved through collaboration?	<ul style="list-style-type: none"> • Centralized training solution can provide a ready pipeline of new candidates 	<ul style="list-style-type: none"> • Collaboration will help distribute costs among banks due to economies of scale. • Taking training outside the organization also resolves the problem of opportunity cost for in-house resources 	<ul style="list-style-type: none"> • If courses are designed by banks and providers in collaboration including practical aspects, relevance/ quality of courses to the FSP’s will be ensured 	<ul style="list-style-type: none"> • Will organizations be able to focus on strategic management of development with collaboration?

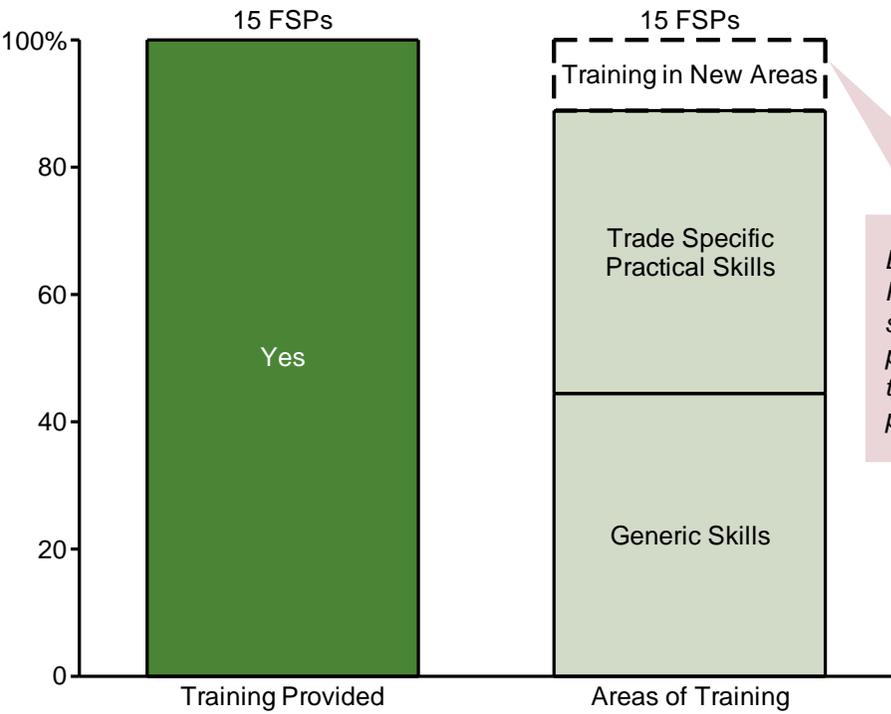
Collaboration would help address most of the challenges banks currently face in training

FSPs: Entry Level – Banks

All banks interviewed provide training to new employees; training is provided primarily across two areas: generic and trade specific technical skills

- A** Entry Level (Banks)
- 2** Training Infrastructure
Uganda, Rwanda and Zambia

Q: Do you provide training to your new hires to make them job ready?
Q: What training do you provide to your new hires?



Banks in Uganda, Rwanda and Zambia still provide basic products only. Potential to collaborate on new products

“Students coming from universities lack basic financial literacy and hence we have to take them through basic banking skills training to teach them about issues like banking procedures and processes, compliance, products etc.”

- Deputy HR, I&M Bank (Rwanda)

“We have a separate facility where we take our new employees and give them training using simulations of customers coming to them. This is important as these kids have not had any practical experience before”

- Head, Training and Development, Finance Bank (Zambia)

“...based on the department being joined, an internal department training is provided on the department specific skills before he can start working”

- Head of HR, Kenya Commercial Bank (Rwanda)

Banks in Uganda, Rwanda and Zambia provide training primarily in basic banking skills related to deposits and credit

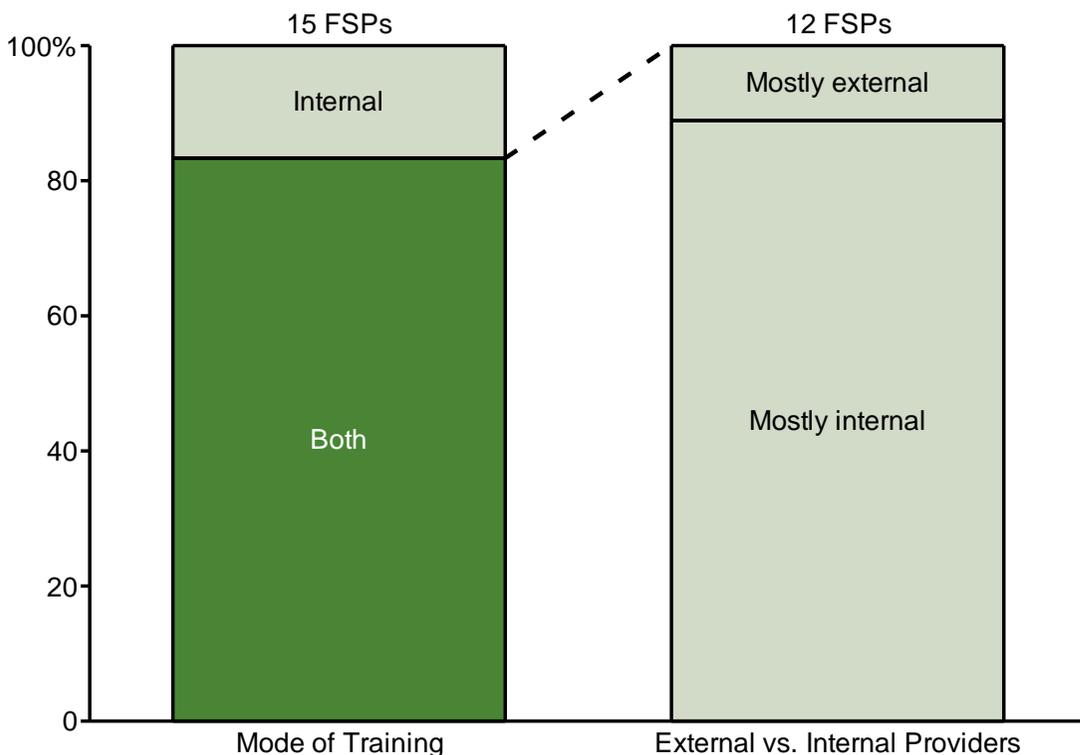


Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

FSPs: Entry Level – Banks

~80% of the banks use both external and internal providers; Of the banks that use both, almost all of them use mostly internal training

Q: What type of trainer do you use for the training?



“We have used Uganda Institute of Banking and Financial Services for their basic banking course. Apart from that, we prefer to do all our entry level training internally”

- **Learning and Development Manager, Kenya Commercial Bank (Uganda)**

“We usually have our own staff do the training for us. Also, many times we use our group training resources for the technical trainings and hence don’t really use external trainers at that level”

- **Manager, Learning and Development, Stanbic Bank (Uganda)**

“We just need someone to do the basic foundation course. However, there is no central organization that does that course, and hence we mostly do it internally, or sometimes may use an external provider like IBBC”

- **Deputy HR, I&M Bank (Rwanda)**

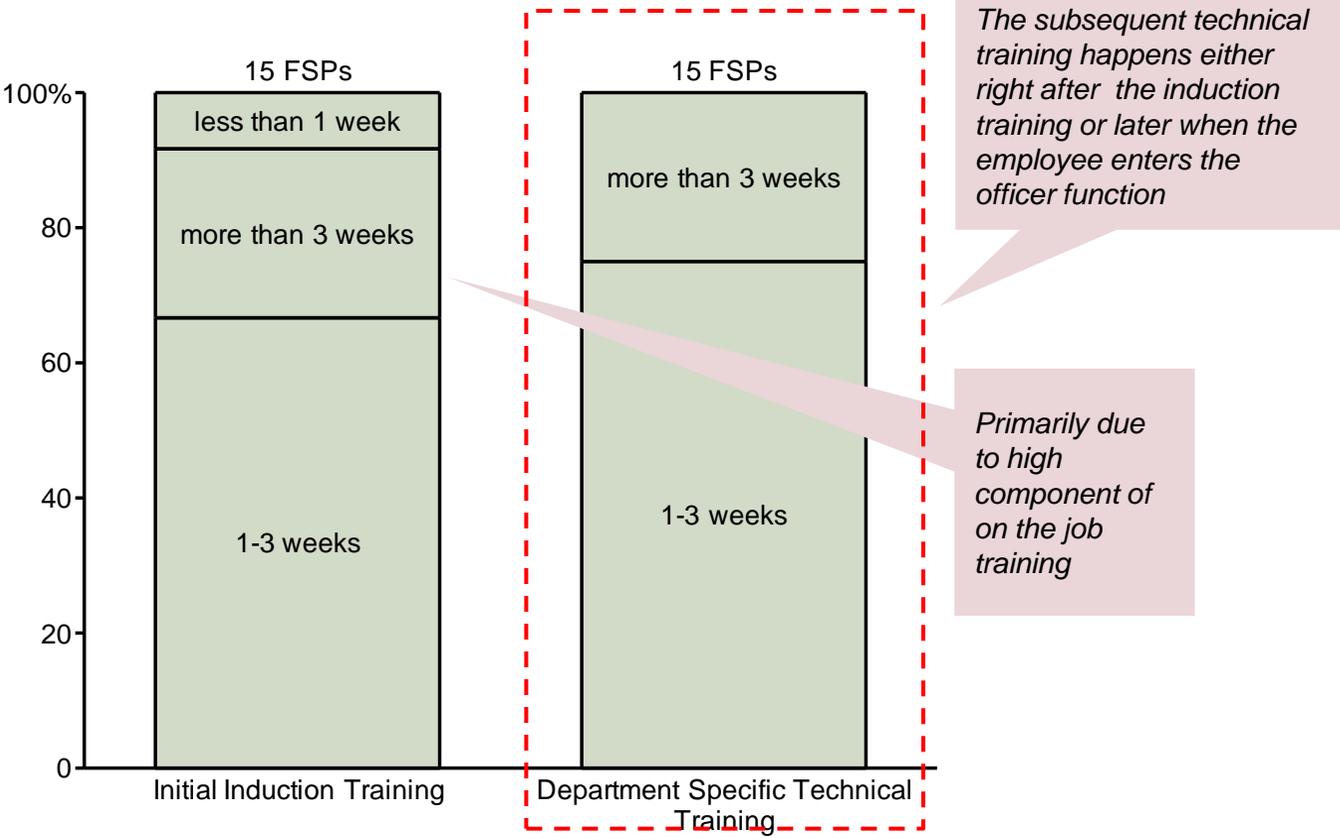
Most of the training in Uganda, Rwanda and Zambia is happening internally

FSPs: Entry Level – Banks

Training duration in Uganda, Rwanda and Zambia is very similar to that in Kenya and Tanzania

- A Entry Level (Banks)
- 2 Training Infrastructure
Uganda, Rwanda and Zambia

Q: What is the duration of the entry level training?



“We have used Uganda Institute of Banking and Financial services for their basic banking course. Apart from that, we prefer to do all our entry level training internally”

- Learning and Development Manager, Kenya Commercial Bank (Uganda)

“The tellers/ cashiers are taken through a 2 week induction training, followed by 1 week of job shadowing with an experienced cashier/ teller. For internal people growing into the credit etc. department, we have a 2 week separate technical training that happens later”

- Head of HR, Bank of Kigali (Rwanda)

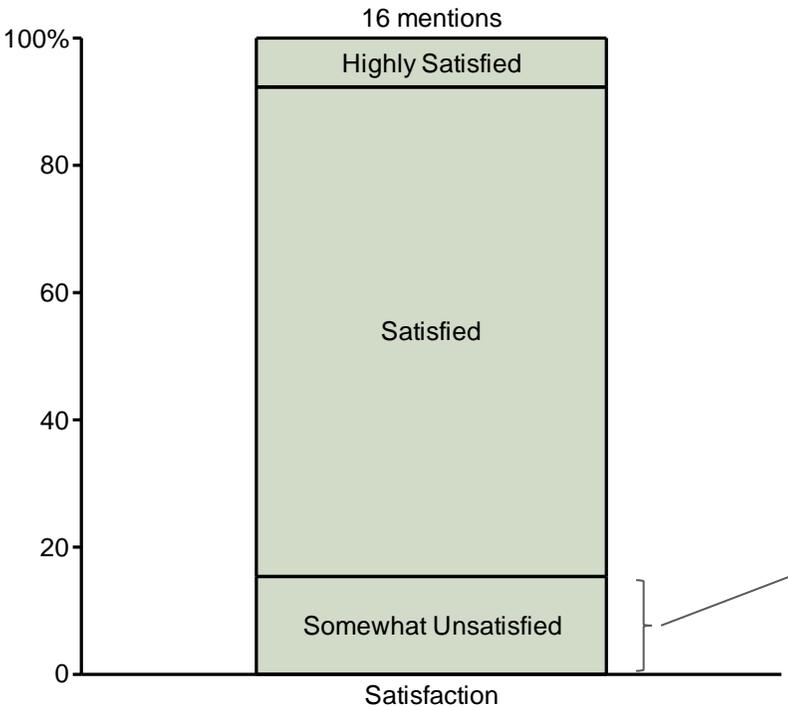


FSPs: Entry Level – Banks

Unlike Kenya and Tanzania, most banks are satisfied with the current entry level training

- A** Entry Level (Banks)
- 2** Training Infrastructure
Uganda, Rwanda and Zambia

Q: How satisfied are you with your current training? (Please rank between 1 and 7 with 1 being highly dissatisfied and 7 highly satisfied)



“We have invested heavily in our group training resources and we feel our training is quite satisfactory. We review our training on regular basis and have seen improvements in our employees”

- Manager Human Resources, DTB Bank (Uganda)

“We have each department fill out an evaluation and feedback form on the quality of new employees. In the last couple of years, people have been dissatisfied with the quality of the incoming employees and hence we are currently planning to move away from internal training to trying to find a good external provider”

- Head of HR, Crane Bank (Uganda)

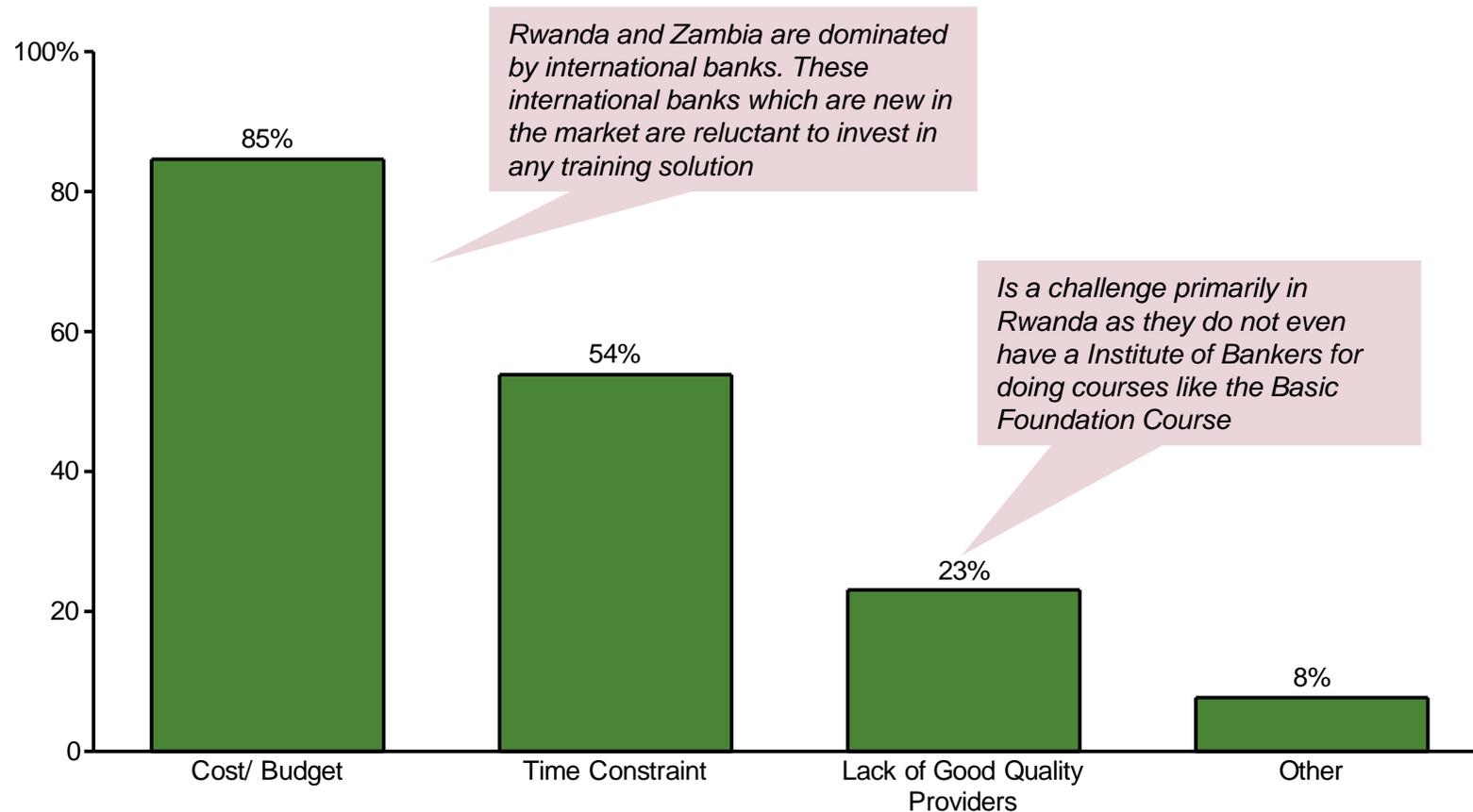
Banks are satisfied with the training
What are the challenges that banks face in conducting this training?



Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Cost, time and lack of good quality providers are the main challenges that banks face in conducting this training

Q. What challenges do you face in your current mode of training?
(% of people mentioning that issue as a challenge)



Banks across Uganda, Rwanda and Zambia face similar issues as Kenyan and Tanzanian banks; Local banks face shortage of good quality low cost external providers

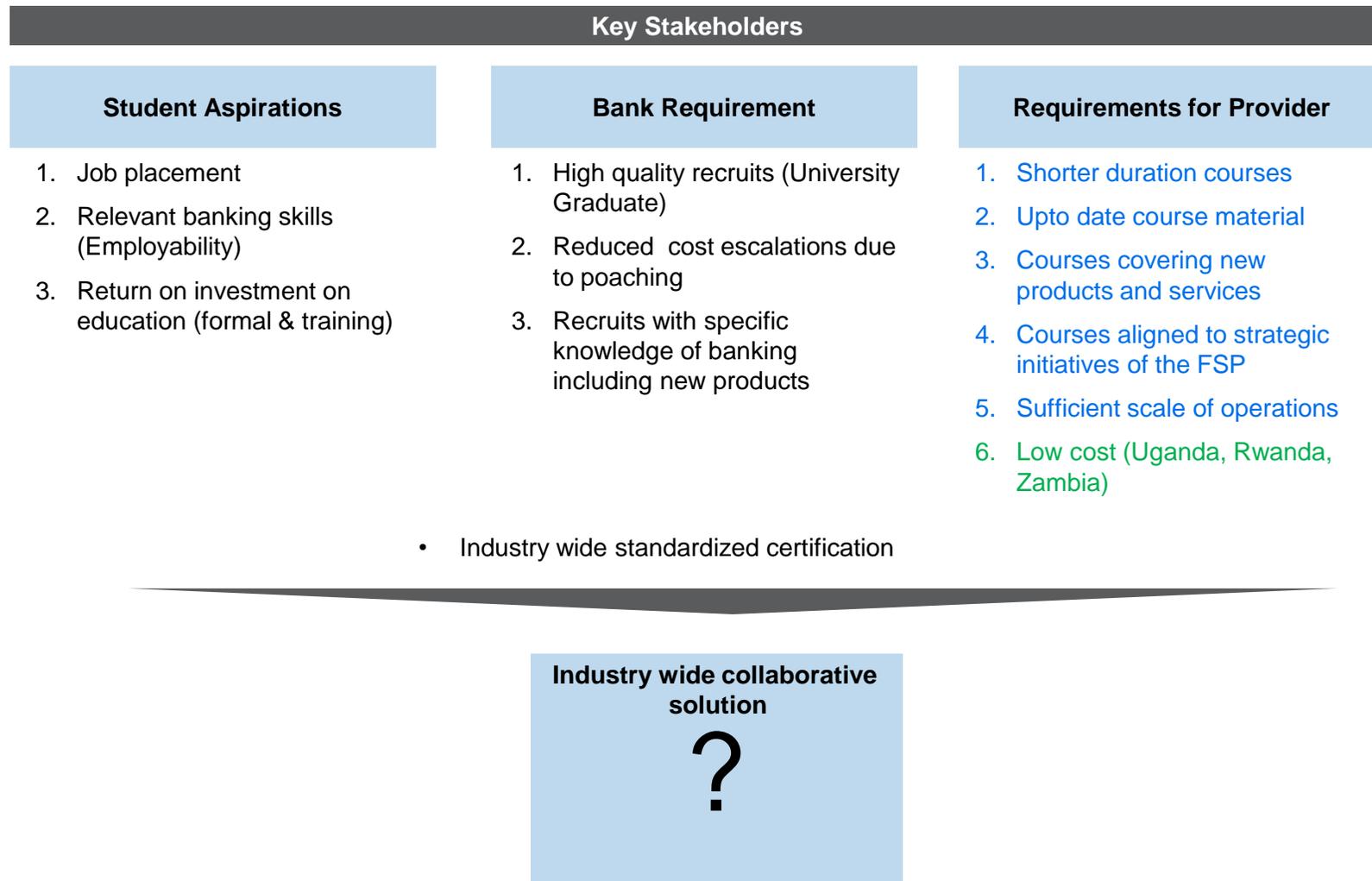
Type of Provider	Cost	Time	Good Quality Provider
	Internal and External	Internal and External	External
Key Issues	<ol style="list-style-type: none"> 1. <u>High training cost</u> 2. <u>Opportunity Cost</u> Loss in productivity of internal resources 3. <u>International Banks Not willing to Spend</u> 	<ol style="list-style-type: none"> 1. Banks want employees to start working immediately, hence time for training is highly constrained 	<ol style="list-style-type: none"> 1. Lack of well evolved central training organization
Commentary	<p><i>“Most international banks that are new in the market are generally not willing to spend a lot of money on training”</i></p> <ul style="list-style-type: none"> - Executive Secretary, Rwanda Bankers Association <p><i>“External providers like the central provider would cost ~\$150-200 per person. My budget cannot afford that. Instead I can complete the training internally for ~\$30 per person.”</i></p> <ul style="list-style-type: none"> - Head of HR, Crane Bank (Uganda) 	<p><i>“Managers are always asking us how soon the training of new employees will be done, as they want them to start working as soon as possible. There is always a time crunch for the training”</i></p> <ul style="list-style-type: none"> - Head of HR, Cavmont Bank (Zambia) 	<p><i>“It is very tough to find the right institute for training. There is no central institute that we can go to and there is no assurance of quality for the local trainers available”</i></p> <ul style="list-style-type: none"> - Chief Operating Officer, Bank of Kigali (Rwanda)

Can it be solved through collaboration?	<ul style="list-style-type: none"> • Cost distribution due to economies of scale allowing lower training cost • Transferring training outside the organization will help resolve the problem of opportunity cost of internal resources 	<ul style="list-style-type: none"> • Centralized training solution can provide a ready pipeline of new candidates 	<ul style="list-style-type: none"> • Standardised industry wide collaboration can help ensure quality training at lower cost
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Collaboration would help address the challenges banks currently face in training

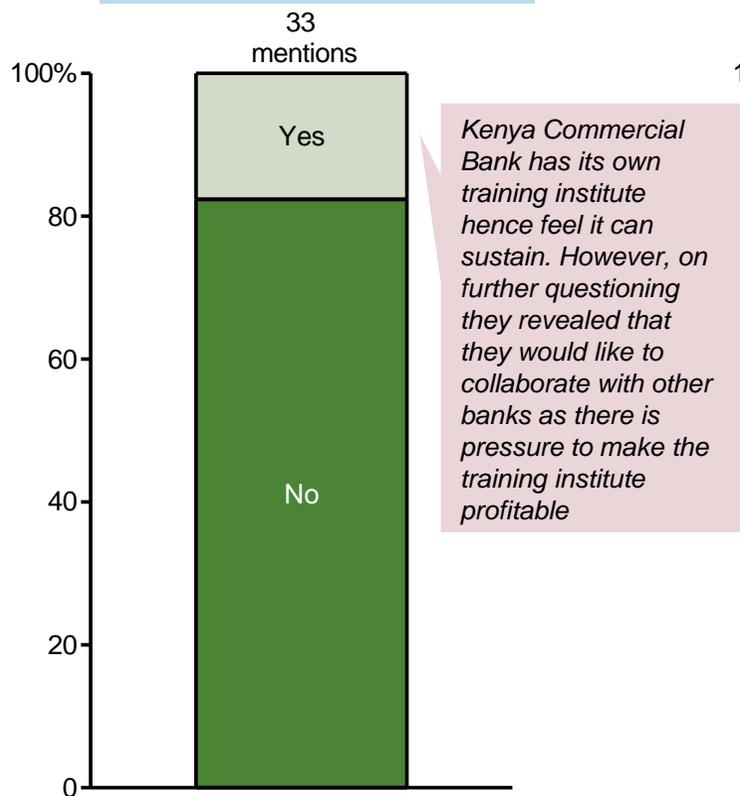
FSPs: Entry Level – Banks

Key learning applicable to the design of a cross industry skill development solution

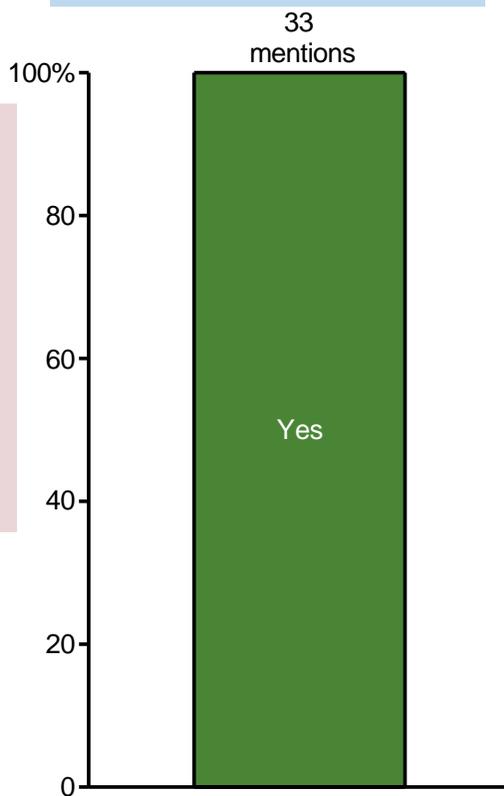


Banks believe that sustained growth will be challenging without a more structured collaboration; All banks believe that a collaborative solution could potentially work in this market

Q: Do you believe you can continue to grow with your current training solution?



Q: Do you think a cross – industry collaborative effort can work in this market?



“There will still be growth but the quality of growth will not be good – it will not be efficient and costs will be higher”

- **Director of Research, Kenya Bankers Association**

“Currently CBA is a very small player in this market. As we achieve scale, we need to develop more sustainable systems of training and succession plans to grow people from within the firm”

- **Head of HR, Commercial Bank of Africa (Tanzania)**

“A market level collaborative effort would definitely work. However, there is no common platform to discuss this. We meet once a month under the KBA but this topic is not discussed”

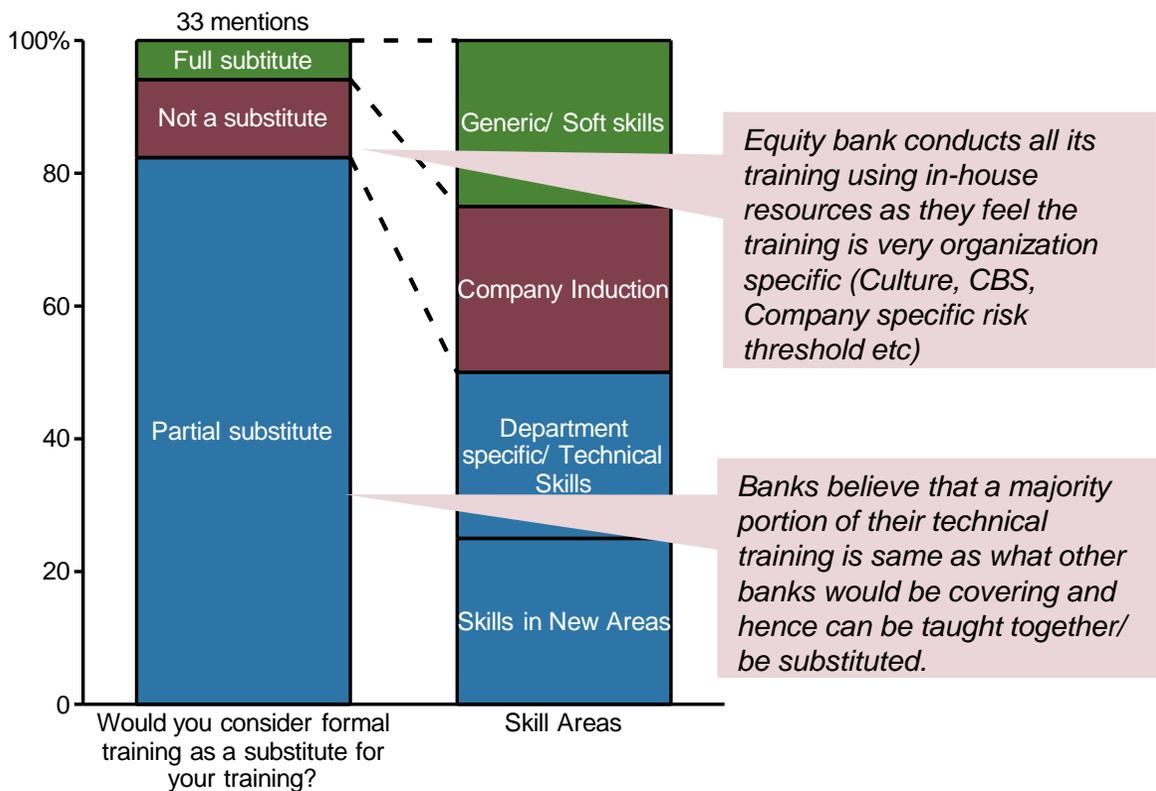
- **Head of HR, Commercial Bank of Africa (Kenya)**

Banks see collaboration as a potential solution



~80% banks believe their training is partially substitutable with a centralised/ collaborative training; ~ 75% of the training can be fully or partially substituted with a more formal centralized training

Q: Do you believe that a more formal centralized/ collaborative training can be a substitute to the current training?



“There are some organization specific bits in our training but most of the training should be common with other banks and can be substituted”

- **Group Head HR, Commercial Bank of Africa (Kenya)**

“I have conducted trainings across multiple banks. The basics of every course remain the same everywhere. There are very small variations among banks which can very easily be learned on-the-job”

- **Assistant Head of Training, Tanzania Institute of Bankers**

“The basics of most of what we do remains the same and can definitely be shared among all banks”

- **HR Director, CRDB Bank (Tanzania)**

Perception of partial substitution will be a roadblock to creating an end to end collaborative solution



For example, course comparison for a risk management training across providers confirms that a significant portion of the course is common

Kenya Commercial Bank*

1. Overview of Risk Management industry and current trends
2. Risk Management Regulatory Framework
3. Establishment of Risk Management Infrastructure
4. Fraud Prevention Techniques
5. Identification of Credit Risk Trends
6. Ways to Evaluate Credit Risk
7. Overview of Risk Management tools of KCB

8. Case Study
9. Analysis and Presentation on Case Study
10. Lecture Series by Company Practitioners

OIKO Credit

1. Introduction to Risk Management
2. Risk Management Frameworks
3. MFI Risk Universe
4. Risk Identification and Measurement
5. Risk Mitigation
6. Risk Communication/Reporting

7. Risk Assessment Tour planning
8. Risk Assessment Tour
9. Presentation on the Risk Assessment Tour
10. Action Planning workshop

The core courses in a training program are very similar across FSP's and can easily be taught in a collaborative manner

Skills like how to asses risk, risk appetite, steps to be taken on successful credit approval etc. are organization specific and hence may not be substitutable

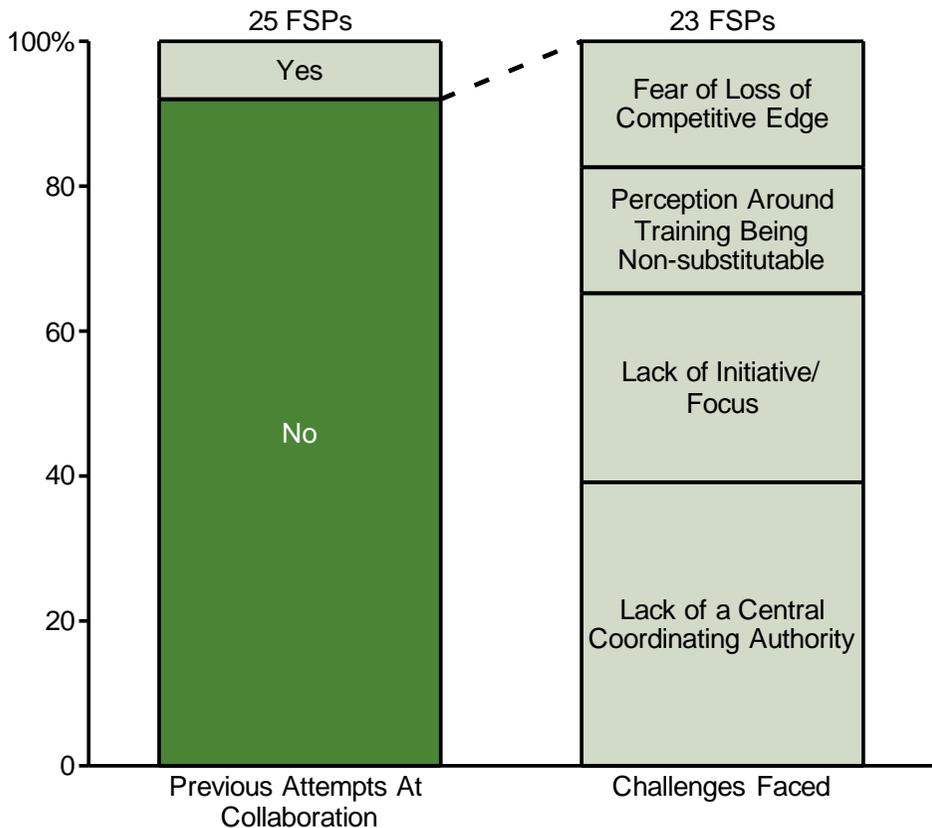
Common courses



* Courses taken from the training conducted by the external provider Euromoney
 Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Majority banks have not explored any collaborative option in the past mainly due to the lack of a central coordinating body, lack of initiative and fear of loss of competitiveness

Q: Have you explored any option of collaboration previously?
Q: (If NO) Why have you not explored such an option of collaboration?



- "..We have not focussed on training and collaboration due to focus on business growth"*
 - **Business Head, Kenya Commercial Bank(Kenya)**
- "...I definitely think that a collaborative solution could work, but there has been no central coordinating body to bring all the players in the market together"*
 - **Head of HR, Commercial Bank of Africa (Tanzania)**
- "You are only as strong as your weakest link. Most banks will fear that they will lose the advantage of their internal training if they share training with other banks, and hence will not do it"*
 - **Director Credit Management, Co-op Bank (Kenya)**
- "The bankers association is very young and had not yet built a strong rapport among banks. With so many new banks coming into the market, we need a strong central organization to convince banks to take part in such an effort"*
 - **Chief Operating Officer, Bank of Kigali (Rwanda)**



All past attempts at collaboration have failed because of irrelevance of the course or fear of poaching (training being provided by other banks and not independent providers)

	Previous attempt at Collaboration	Reasons for Failure	
Kenya	Standard Chartered had tried to introduce an industry wide common training for the line managers.	Lack of willingness of banks to participate due to fear of competitive poaching by Standard Chartered	} Banks cannot conduct training for other banks
Zambia	Zambia Institute of Banking and Financial Services tried to facilitate a industry wide training on “Trade Finance” by calling an expert from Barclays Bank	Unwillingness from Barclays to perform the training for competitor banks	
Rwanda	Rwanda Bankers Association tried to facilitate a industry level training via Citi Bank.	Lack of willingness to participate due to perception of the course being irrelevant	} Relevancy of course very important



Any standardized industry wide training has to be conducted by an independent provider and relevancy of the course for banks has to be maintained

FSPs: Entry Level – Banks

There are several potential challenges in initiating an industry wide collaborative effort

Q: Why have you not explored an option of collaboration before?
Q: What challenges do you foresee in setting up a collaborative effort?

	Perception That Own Training Is Highly Specialized	Competitiveness	Lack Of Initiative/ Central Coordinating Authority	Lack Of Focus
Key Issue	<ul style="list-style-type: none"> Banks perception around partial substitutability of their training with an external training is resulting in a lack of initiative to collaborate 	<ul style="list-style-type: none"> Fear of loss of competitive advantage due to information sharing upon collaboration 	<ul style="list-style-type: none"> Lack of a central authority that takes the initiative of collaborating all banks and associations Lack of initiative from banks to participate in/ initiate a collaborative effort 	<ul style="list-style-type: none"> Focus is on business growth (geographic footprint) and new products and services Time to market is more critical; strategic thought on training and development is only just beginning
Commentary	<p><i>“...for example in our credit training, the way we define SME’s, the ERP system we use, the risk threshold definitions the bank has etc. are all things that cannot be substituted”</i></p> <ul style="list-style-type: none"> GM, Learning and Leadership Development, Equity Bank 	<p><i>“Whenever we talk about combining training, banks fear that other banks will poach their students and will learn about their unique systems. They are very reluctant in sharing anything with other banks”</i></p> <ul style="list-style-type: none"> Director, Research and Policy, Kenya Bankers Association 	<p><i>“We appreciate the benefits of collaborative effort , but then to bring it to fruition we need to have initiative from other providers too, which I think would be a real challenge”</i></p> <ul style="list-style-type: none"> Manager, Human Resources, Diamond Trust Bank (Uganda) 	<p><i>“Though there have been many discussions by the board on issues of policy, but very few times has the issue of skill gap been raised. We clearly need to bring more focus on this issue too ”</i></p> <ul style="list-style-type: none"> Executive Director, Tanzania Bankers Association



Any collaborative solution will need to address these issues to initiate co-operation

Countries across EAC have organizations that can implement an industry wide solution; However most are not considered good quality partners by banks (1/3)

- A Entry Level (Banks)
- 3 Perspective on collaboration

	Kenya Institute of Bankers	Kenya Bankers Association	Kenya School of Monetary Studies	Bank of Tanzania Training Institute
Key Role	<ul style="list-style-type: none"> To provide professional banking education to all member banks 	<ul style="list-style-type: none"> Official umbrella body that represents the country's 43 commercial banks Works towards standardizing management practices to ensure harmony and professionalism in the industry 	<ul style="list-style-type: none"> To provide financial skills training across the entire spectrum of financial industry 	<ul style="list-style-type: none"> Started with the role of providing training to Central bank employees Now extended to all commercial banks
Legal Authority	<ul style="list-style-type: none"> No legal mandate Independent organization with all commercial banks on it's board 	<ul style="list-style-type: none"> No legal mandate 	<ul style="list-style-type: none"> Legally mandated skills training authority under the Central Bank 	<ul style="list-style-type: none"> Legally mandated skills training authority under the Central Bank
Economic Model	<p>The 2 sources of funding include;</p> <ul style="list-style-type: none"> Fee from courses conducted Membership fee paid by all member banks 	<ul style="list-style-type: none"> Membership fees 	<ul style="list-style-type: none"> Funded by the Central Bank of Kenya 	<ul style="list-style-type: none"> Funded by the Central Bank Charge a minimal token fee for the courses which goes back to the Central bank
Services Provided	<ul style="list-style-type: none"> Provide diploma and certificate courses in banking and finance Also provide short skills training courses 	<ul style="list-style-type: none"> Moderates between banks unions Implementation of central systems (e.g. own the clearing house, modernization of the payment systems, establishment of Kenya Credit Information Sharing Initiative) 	<ul style="list-style-type: none"> Mostly provide short financial skills training courses 	<ul style="list-style-type: none"> Act as moderators. Facilitate independent trainers to conduct short skills courses
Key Issue	<ul style="list-style-type: none"> Generic courses / Not practical 	<ul style="list-style-type: none"> No focus on training and skills development 	<ul style="list-style-type: none"> Potential partner 	<ul style="list-style-type: none"> Generic courses / Not practical

Countries across EAC have organizations that can implement an industry wide solution; However most are not considered good quality partners by banks (2/3)

	Tanzania Bankers Association	Uganda Bankers Association	Rwanda Bankers Association	Bankers Association of Zambia
Key Role	<ul style="list-style-type: none"> To facilitate the consideration and discussion of matters of common interest to members of the association 	<ul style="list-style-type: none"> Promoting, developing and representing the professional business interest of 25 UBA members 	<ul style="list-style-type: none"> To render assistance and promote co-ordination on procedural, legal and technical issues of banks and the banking industry 	<ul style="list-style-type: none"> To represent interests of the member banks to the ministry of finance.
Legal Authority	<ul style="list-style-type: none"> No legal mandate Independent organization with all commercial banks on it's board 	<ul style="list-style-type: none"> No legal mandate Independent organization with all commercial banks on it's board 	<ul style="list-style-type: none"> No legal mandate Independent organization with all commercial banks on it's board 	<ul style="list-style-type: none"> No legal mandate Independent organization with all commercial banks on it's board
Economic Model	<p>The 2 sources of funding include;</p> <ul style="list-style-type: none"> Fee from courses conducted Membership fee paid by all member banks Revenues from the clearing house operations 	<ul style="list-style-type: none"> Membership fees Income from sale of research and publication materials As UIBFS falls under UBA, a certain proportion of their revenues go to UBA 	<ul style="list-style-type: none"> Fee from courses conducted Membership fee paid by all member banks 	<ul style="list-style-type: none"> Fee from courses conducted Membership fee paid by all member banks
Services Provided	<ul style="list-style-type: none"> Lobbying with Ministry of Finance Management of clearing house Facilitating short training courses for bank members 	<ul style="list-style-type: none"> Advocacy and issue consideration for bank members Policy submission for banks Product research and development Capacity building (through UIBFS) 	<ul style="list-style-type: none"> Advocacy and issue consideration for bank members Policy submission for banks Product research and development 	<ul style="list-style-type: none"> Lobbying with Ministry of Finance Advocacy and issue consideration for bank members Policy submission for banks
Key Issue	<ul style="list-style-type: none"> No focus on training and skills development 	<ul style="list-style-type: none"> Focuses on training through UIBFS; where courses are generic in nature 	<ul style="list-style-type: none"> In process of developing a training institute 	<ul style="list-style-type: none"> Generic courses / Not practical



Countries across EAC have organizations that can implement an industry wide solution; However most are not considered good quality partners by banks (3/3)

	Tanzania Institute of Bankers	Uganda Institute of Banking and Financial Services	Zambia Institute of Banking and Financial Services	Rwanda
Key Role	To provide professional banking education to all member banks			No central skills training organization. The Rwanda Bankers Association is currently in process of setting up an institute of bankers. They have signed an MoU with the UIBFS wherein UIBFS will come in and do the training for the first year
Legal Authority	<ul style="list-style-type: none"> No legal mandate Independent organization with all commercial banks on it's board 	<ul style="list-style-type: none"> A legal arm under the Uganda Bankers Association Mandated to conduct professional courses and financial skills training for all members banks 	<ul style="list-style-type: none"> Legally mandated skills training authority under the Central Bank 	
Economic Model	The 2 sources of funding include; <ul style="list-style-type: none"> Fee from courses conducted Membership fee paid by all member banks 	Key sources for funding include: <ul style="list-style-type: none"> Course training fee Consultancy fees Income from sale of research publications 	The 2 sources of funding include; <ul style="list-style-type: none"> Fee from courses conducted Membership fee paid by all member banks 	
Services Provided	<ul style="list-style-type: none"> Provide diploma and certificate courses in banking and finance Also provide short skills training courses 	<ul style="list-style-type: none"> Professional courses: Banking certificate, Certified Professional Banker, Diploma in Microfinance and Certificate in Credit Short skills courses 	<ul style="list-style-type: none"> Professional diploma and Advanced Professional Diploma in Banking Short training courses Accreditation of colleges providing banking diplomas 	
Key Issue	<ul style="list-style-type: none"> Generic courses / Not practical 	<ul style="list-style-type: none"> Generic courses / Not practical Lack of funds and capacity to expand 	<ul style="list-style-type: none"> Generic courses / Not practical 	

FSPs: Entry Level – Banks

Key learning applicable to the design of the cross industry skill development solution

Key Stakeholders

Student Aspiration

1. Job placement
2. Relevant banking skills (Employability)
3. Return on investment on education (formal & training)

Bank Requirement

1. High quality recruits (University Graduate)
2. Reduced cost escalations due to poaching
3. Recruits with specific knowledge of banking including new products
4. Ability to maintain competitive positioning

Requirements for Provider

1. Shorter duration courses
2. Upto date course material
3. Courses covering new products and services
4. Courses aligned to strategic initiatives of the bank
5. Sufficient scale of operations
6. Low cost (Uganda, Rwanda, Zambia)
7. Practical courses customized to individual banks systems and needs
8. Independent

+ Outside organization that can drive collaboration

- Industry wide standardized certification

Industry wide collaborative solution



FSPs: Entry Level – Banks

Entry level (clerical) training requirements for banks do not have the characteristics for collaboration

- A Entry Level (Banks)
- 3 Perspective on collaboration

	Description	Entry Level (Clerical)
		Drive Collaboration?
1 Job Assurance	<ul style="list-style-type: none"> No guarantee of a job placement post course completion 	✘
2A Regulations	<ul style="list-style-type: none"> <u>No government mandated requirement</u> for certification in addition to university qualification before being able to work formally 	✘
2B Scale: <ul style="list-style-type: none"> <i>Economies of Scale</i> <i>Opportunity Cost</i> 	<ul style="list-style-type: none"> <u>Potential scale of training is large enough</u> and does not require significant resources to be deployed by the banks The trainer/trainee opportunity cost (time spent by current management) is small 	✔
3 Training Characteristics: <ul style="list-style-type: none"> <i>Technical vs. Non Technical</i> <i>Contextual and Non Contextual</i> 	<ul style="list-style-type: none"> Training is non – technical in nature Strong perception around training being highly customized 	✘



FSPs: Entry Level – Banks

Entry level (officer) training requirements for banks have some of the characteristics for collaboration

- A Entry Level (Banks)
- 3 Perspective on collaboration

	Description	Entry Level (Officer)
		Drive Collaboration?
1 Job Assurance	<ul style="list-style-type: none"> No guarantee of a job placement post course completion 	✘
2A Regulations	<ul style="list-style-type: none"> <u>No government mandated requirement</u> for certification in addition to university qualification before being able to work formally 	✘
2B Scale: <ul style="list-style-type: none"> <i>Economies of Scale</i> <i>Opportunity Cost</i> 	<ul style="list-style-type: none"> <u>Potential scale of training is large</u> and requires management staff to be deployed 	✔
3 Training Characteristics: <ul style="list-style-type: none"> <i>Technical vs. Non Technical</i> <i>Contextual and Non Contextual</i> 	<ul style="list-style-type: none"> Training is technical in nature Training is partially substitutable 	✔



Are banks willing to collaborate?



FSPs: Entry Level – Banks

Most banks are willing to transfer their training to an independent external provider

Q: Would you be willing to transfer your training to an external provider outside your organization?



“Training is not our core operation, and hence we currently do most of our training using external resources. We would definitely be willing to transfer our training to an external provider”

- **Group Head HR, Commercial Bank of Africa (Kenya)**

“As long as the students get to know the “Equity Bank story”, of where the bank has come from and where it is going. If that can be ensured, then we can definitely think about transferring all our training to an external provider”

- **HR Head, Equity Bank (Rwanda)**

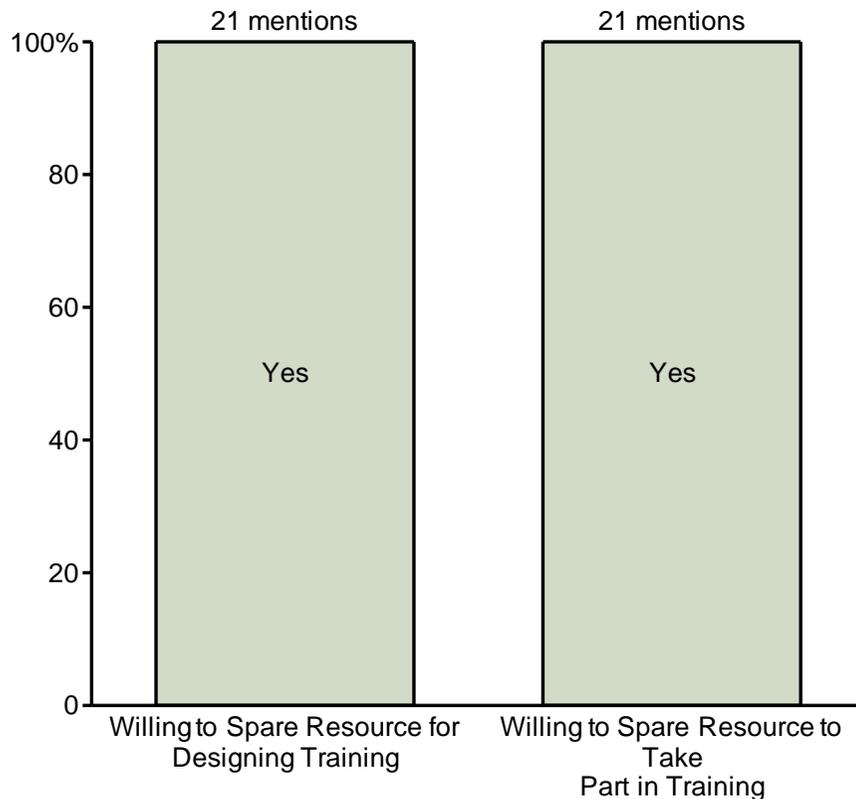
“We are already talking about setting up a separate training unit like our Kenya office, so that we don’t have to deal with training. We would definitely be willing to outsource our training to an external provider”

- **Head of HR, Kenya Commercial Bank (Rwanda)**

**All banks are willing to collaborate with a provider to design training;
All banks are willing to spare operational resources to conduct
(participate) in the teaching**

Q: Would you be willing to spare operational resources to design the training in collaboration with a provider?

Q: Would you be willing to spare operational resources to take part in the training (by teaching)?



“Our managers are anyways having to conduct training for the new employees. We can instead make them divert that time into working with provider to design this training for us”

- GM Human Resources, Equity Bank (Uganda)

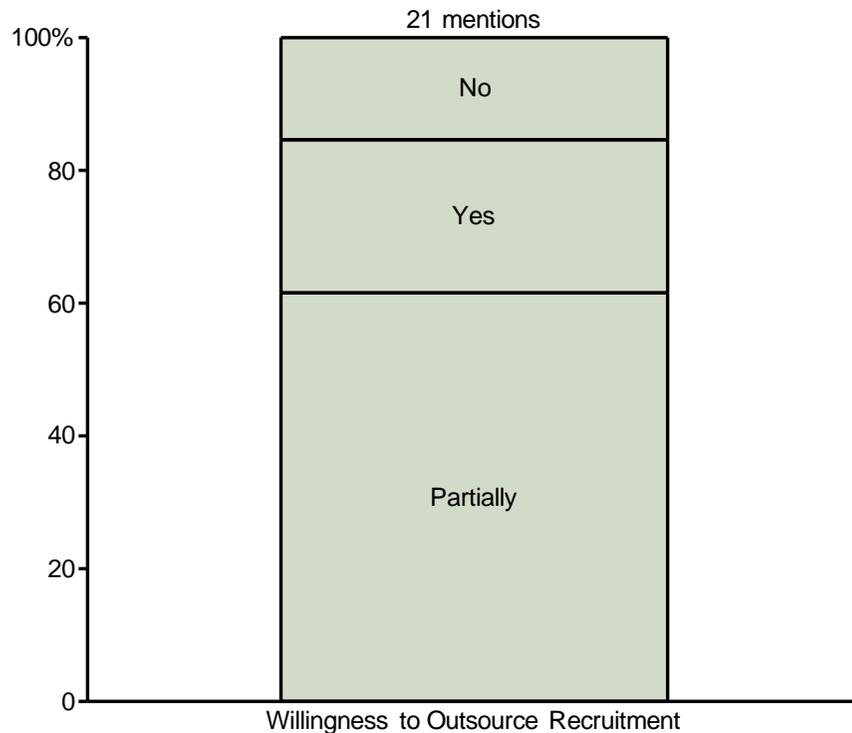
“If we are collaborating with a provider and want to make the training relevant to us, we would see it almost as a necessity to have someone from the bank help in designing the training”

- Deputy HR, I&M Bank (Rwanda)

FSPs: Entry Level – Banks

Most banks are willing to partially outsource recruitment to the provider while maintaining some involvement in the final decision

Q: Would you be willing to outsource your recruitment to this provider? What level of involvement would you want to maintain?



“...we cannot outsource the whole process to them. Based on our criterion we can allow them to get from 100 to 10 applications, but we will do the final selection of the 5 from 10”

- **Learning and Development Manager, Kenya Commercial Bank (Rwanda)**

“...we could allow them to run the process, but we would definitely want that someone from our bank be present at all stages in the process”

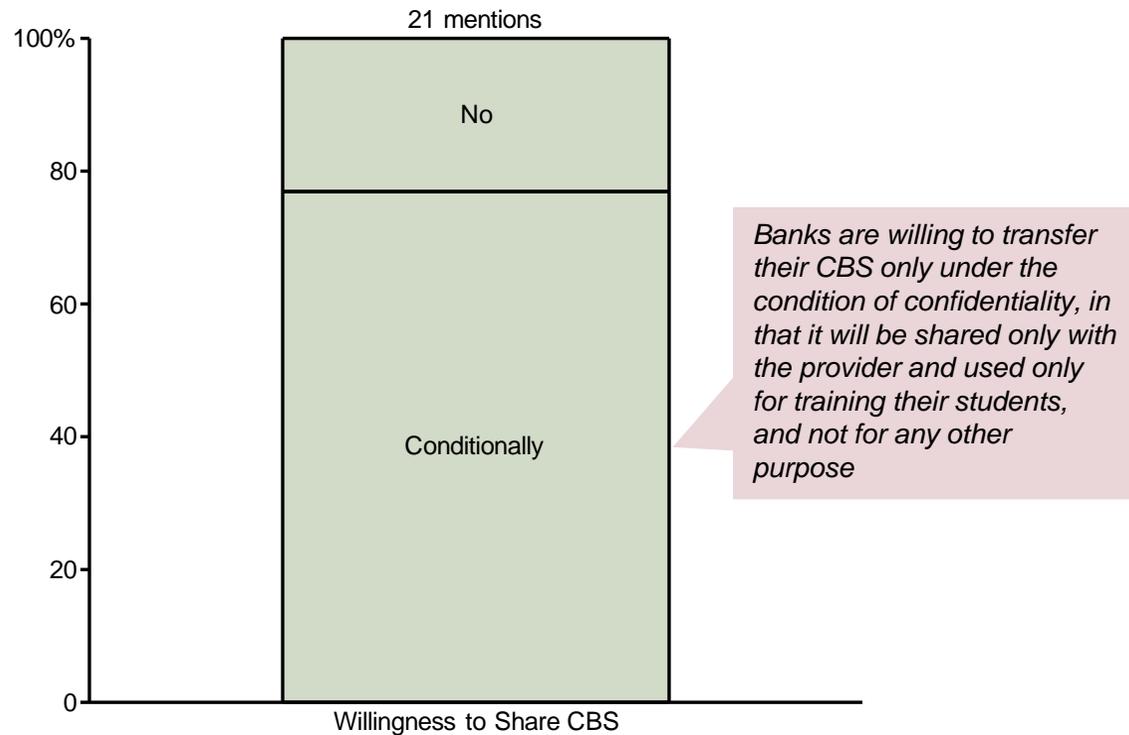
- **HR Manager, Diamond Trust Bank (Uganda)**

“We would be giving the criterion for selection but our HR team will have the final say in the selection. We cannot let someone else outside our bank have complete choice over whom we recruit”

- **Head, Training and Development, Finance Bank (Zambia)**

Most banks are sceptical about sharing the bank CBS with external providers due to the confidential nature of the system; Willing to create a simulation environment / sandbox

Q: Would you be willing to share your CBS and core banking operations and processes with the provider?



“We would not share the whole system with them, but only help them create a “test atmosphere” in their centre so that students can train on it. This system will completely be isolated from our system”

- Head of HR, Equity Bank (Uganda)

“...we would transfer it but only if we are assured that the only the provider and no one else will have access to it”

- Head of HR, Kenya Commercial Bank (Rwanda)

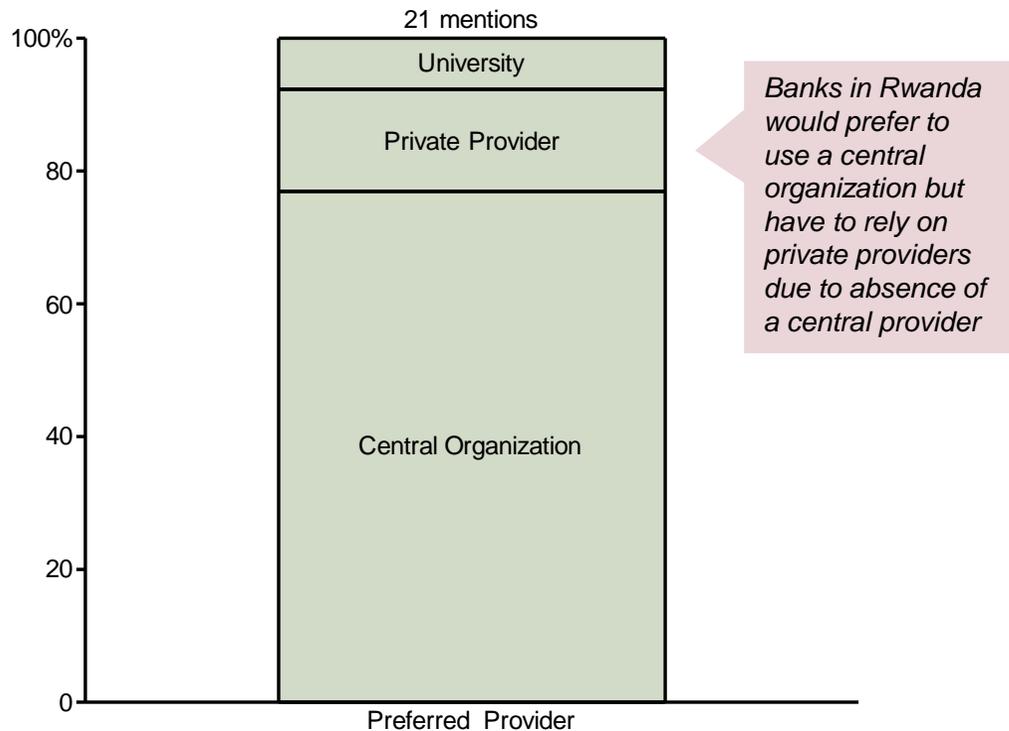
“...we would not be comfortable sharing our internal systems with anyone external. However, the final decision is a strategic decision to be taken by the senior management”

- Deputy HR, I&M Bank (Rwanda)

FSPs: Entry Level – Banks

Most banks would prefer a central organization/ provider for collaborating with, as they have more credibility

Q: What would be your preference in terms of the type of provider for out – sourcing your training?



“Central organizations have much more reliability. We would be much more comfortable sharing our expertise and systems with the UIBFS than with any external private provider”

- **HR Head, Equity Bank (Uganda)**

“We have been doing the Banking Foundation course with KSMS and are quite satisfied with the training. Hence, I feel they would be well suited for this”

- **Group Head HR, Commercial Bank of Africa (Kenya)**

“We would ideally like to do it with a central organization, but there are none in this market”

- **Deputy HR, I&M Bank (Rwanda)**

FSPs are willing to participate in collaborative solution

Agenda

Project Overview

Executive Summary

Introduction to EAC Skills Requirement

International Benchmarks

FSP

Entry Level: MFIs

Supplier Landscape

Conclusions and Recommendations

Appendix

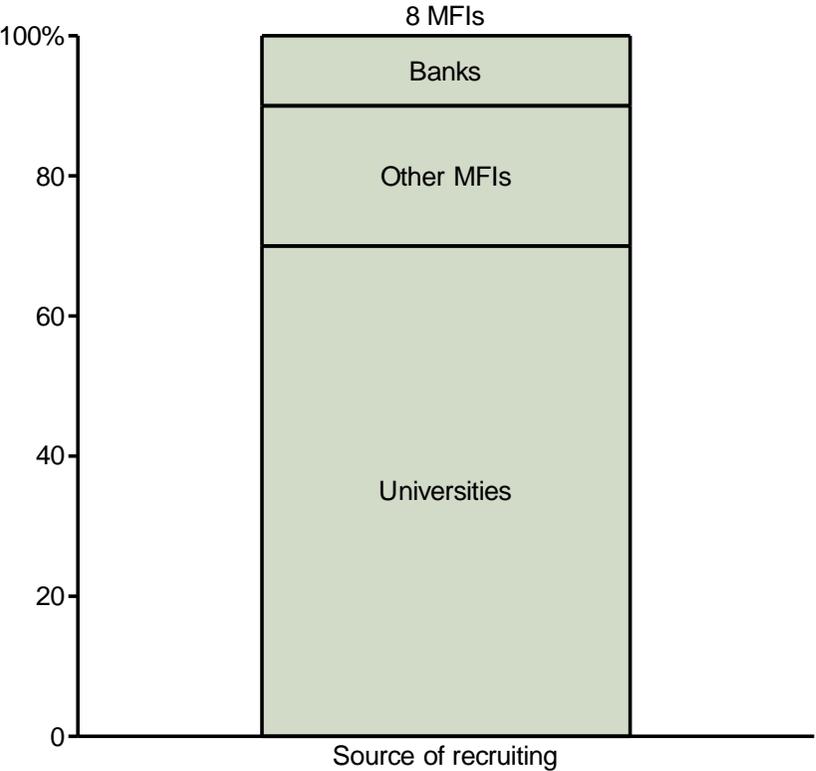
FSPs: Entry Level – MFIs

Microfinance institutions across EAC hire ~50-60% of their entry level employees as degree students from Universities

- B** Entry Level (MFIs)
- 1** Demand and Skills Gap

Q: What qualification do you need for your entry level staff?

Q: What type of institutions do you recruit from?



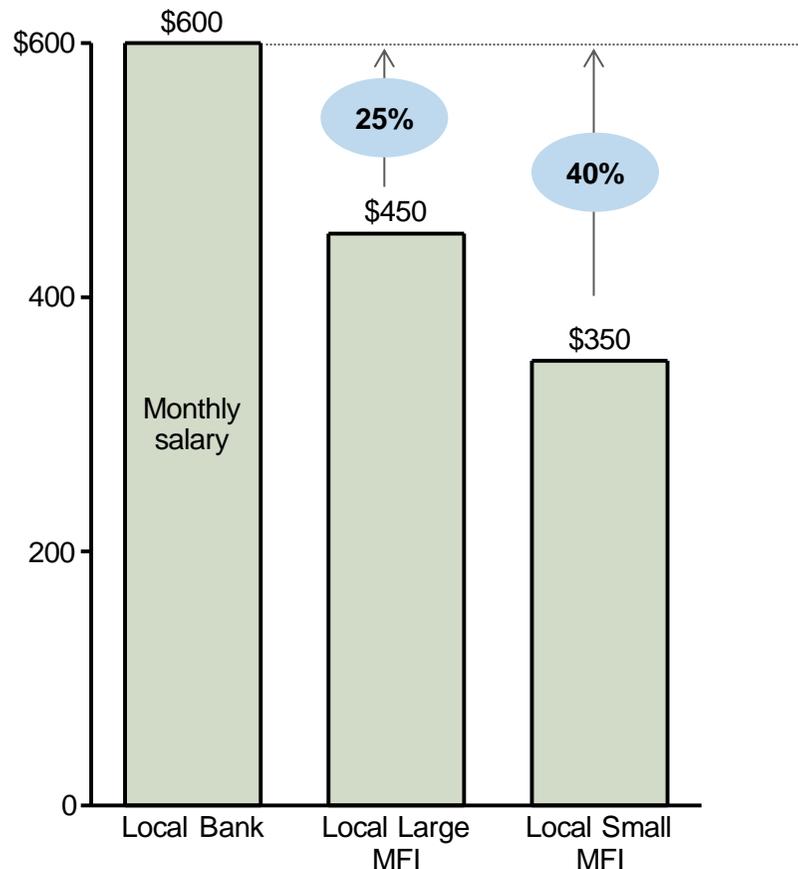
MFIs recruits a larger percentage of certificate and diploma holders as compared to banks



Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Lower salaries paid by Microfinance institutions as compared to banks and lower preference of microfinance jobs amongst graduates results in the lower quality of incoming staff

Monthly Salary Of Credit Department Clerk At Banks And MFIs Across EAC



“Microfinance institutions are perceived to be of lower standard than banks, and hence students always choose banks over MFI’s. As a result, the incoming quality of students is not very good”

- Human Capital Manager, Learning and Training, PRIDE (Uganda)

“We hire both degrees and diploma holders. We would ideally like to hire only degrees. However, these students think of a job in an MFI very lowly and mainly come here after trying in banks. Hence, they are not very stable and tend to leave as soon as possible. Hence we also hire diplomas as they are more stable”

- Regional Training Manager, FINCA (Uganda)

“Many graduates who think of employment post graduation find microfinance less glamorous as it involves working on grounds in rural areas and dealing with the low income base segment”

- Head of Operations, SMEP (Kenya)

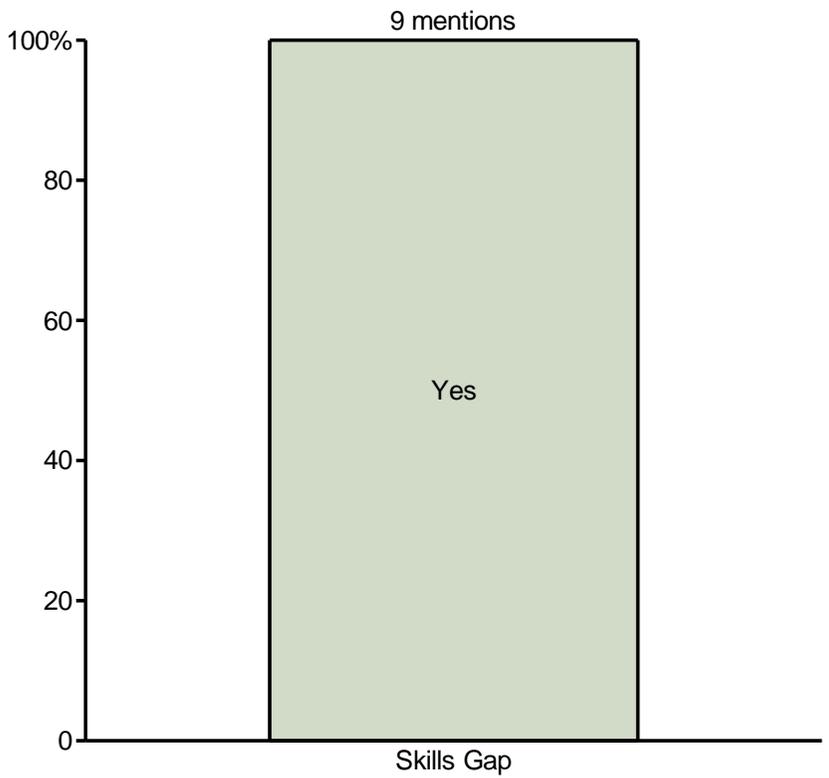
MFI recruits are lower quality than bank recruits

FSPs: Entry Level – MFIs

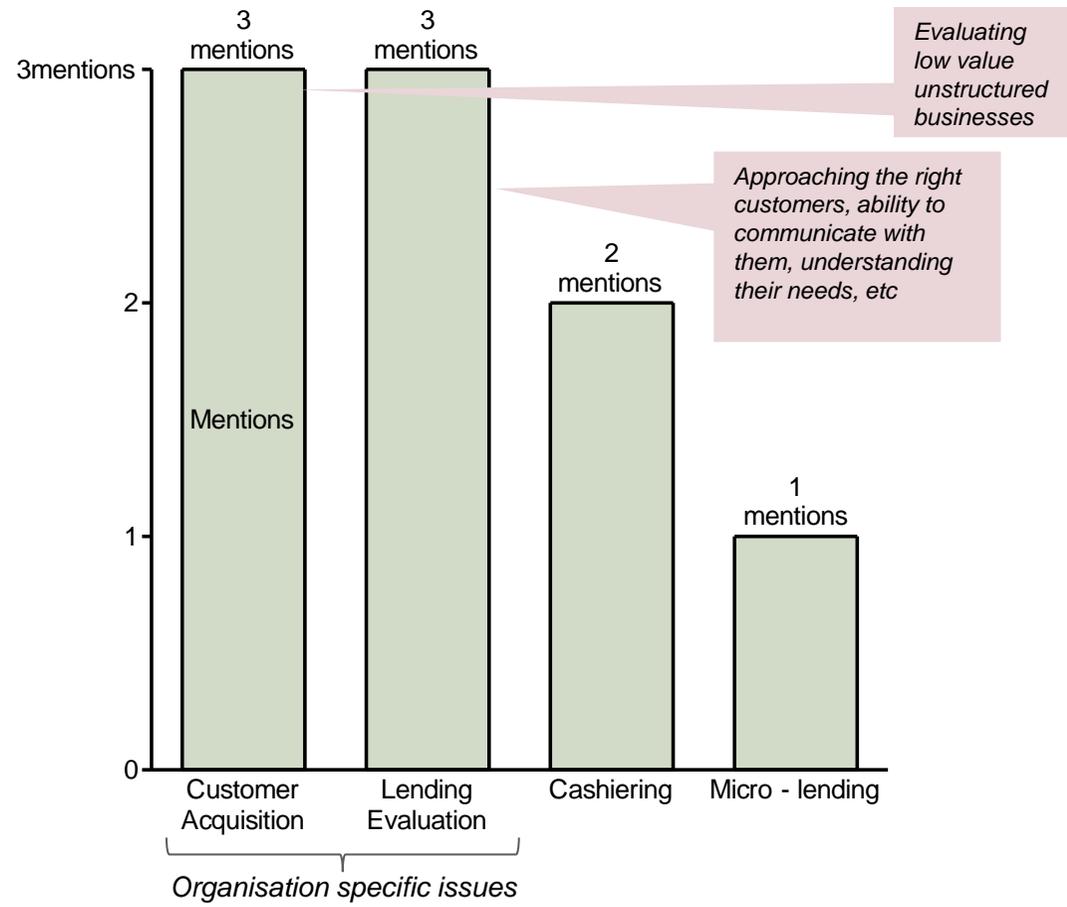
Microfinance institutions feel that their recruits mostly lack lending evaluation and low income customer service skills

- B Entry Level (MFIs)
- 1 Demand and Skills Gap

Q: Do you think there is a skills gap in the market?



Q: What skills do the new recruits lack?



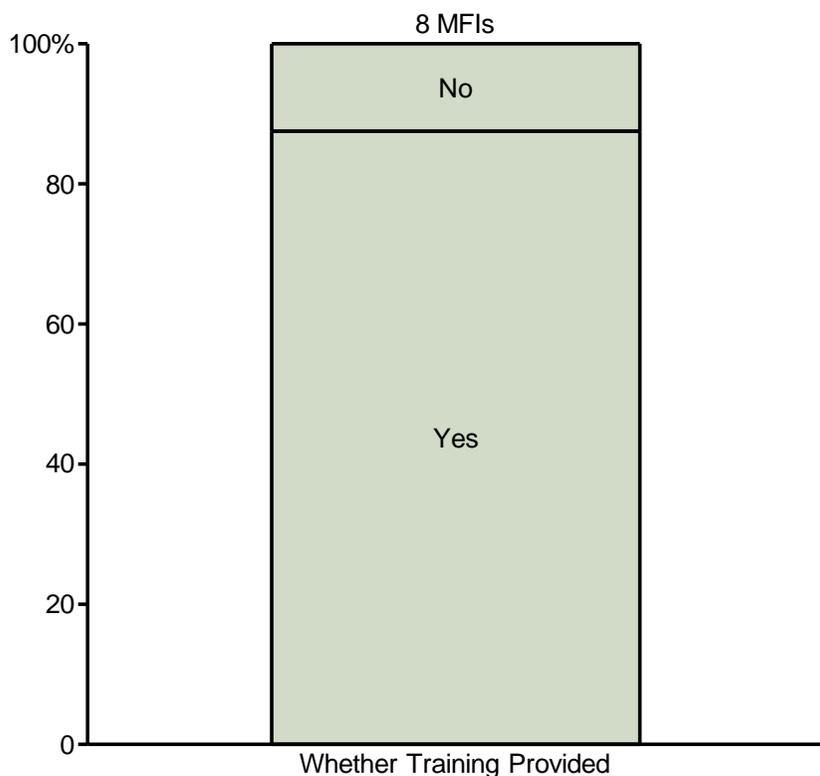
FSPs: Entry Level – MFIs

Skills and knowledge requirements of MFIs are simpler than those of banks

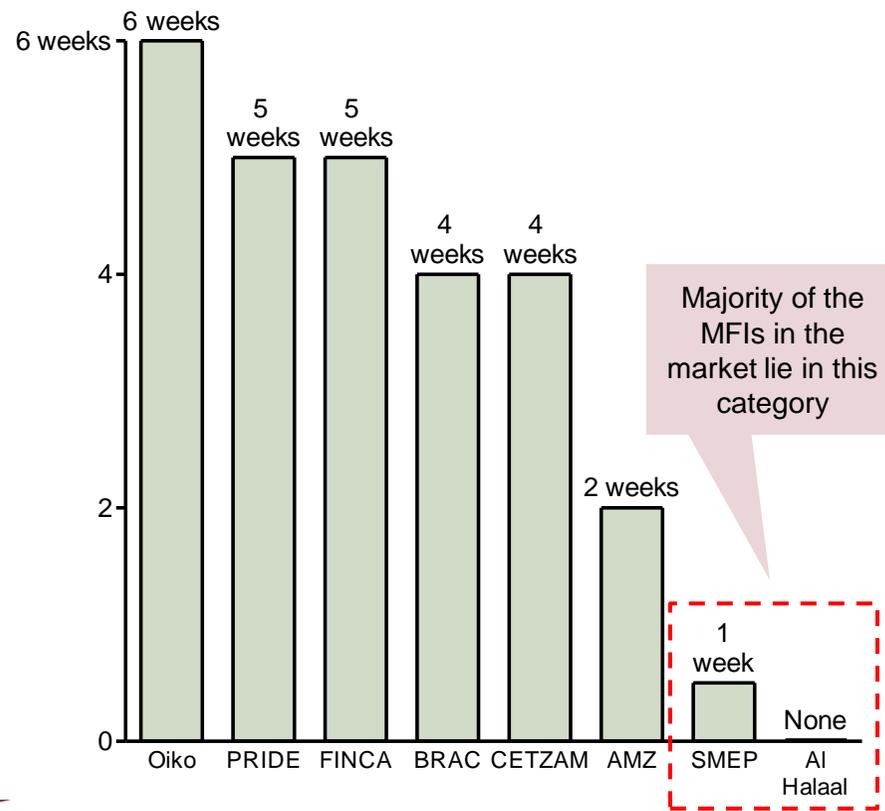
	Banks	MFIs		
Basic Institutional Skills	<ul style="list-style-type: none"> • Knowledge of whole range of financial products offered by banks • Understanding of all banking processes and procedures like fund transfer, cheque clearing etc.) • Functional know – how of all the departments in the bank 	<ul style="list-style-type: none"> • Basic understanding of credit and lending • Understanding of challenges involved in dealing with low income clientele 	 <p>MFIs have simpler organization and functions as compared to banks</p>	
Technical Skills	<ul style="list-style-type: none"> • Advanced credit analysis • Reading financial statements like cash flows and balance sheets • Risk analysis • Financial modelling • Ratio analysis etc. 	<ul style="list-style-type: none"> • Basic credit analysis skills • Evaluation of risk for a low value businesses • Presentation skills (how to make a presentation and present a case) 		 <p>Basic financial analysis requirement in MFIs</p>
Customer Management Skills	<ul style="list-style-type: none"> • Ability to interface with clients for basic banking operations 	<ul style="list-style-type: none"> • Identifying the correct client • Showing empathy to clients • Ability to communicate products to such clients 		

Most MFIs interviewed provide ~2-5 weeks of initial training; Most smaller MFIs in the market have a much shorter training, sometimes as low as 2-3 days

Q: Do you provide training to your recruits?



Q: How long is your entry level / induction training program?



What content is covered in the training?

Typical trainings cover very basic topics like organization overview and basic product understanding; most of the training happens on the job

	SMEP	PRIDE	Agaro Microfinance
Length of Training	3 days (Induction Training)	5 weeks (Induction Training)	2 weeks (Induction Training)
Topics Covered	<p><u>Day 1:</u></p> <ul style="list-style-type: none"> - Overview of SMEP - Mission and vision by the CEO <p><u>Day 2:</u></p> <ul style="list-style-type: none"> - Department overview - Roles of a loan officer (daily responsibilities) <p><u>Day 3:</u></p> <ul style="list-style-type: none"> - Basic product knowledge - Regulations and compliance 	<p><u>1st week:</u></p> <ul style="list-style-type: none"> - Introduction to PRIDE (values, products and services, firm challenges etc.) <p><u>2nd week:</u></p> <ul style="list-style-type: none"> - Understanding all documents involved - Their day-to-day role as a credit officer - Challenges of their role <p><u>3rd and 4th week:</u></p> <ul style="list-style-type: none"> - Attachment to a current credit officer <p><u>5th week:</u></p> <ul style="list-style-type: none"> - Training on and familiarity with their banking software (Bankers Realm) 	<p><u>1st week:</u></p> <ul style="list-style-type: none"> - AMZ understanding - Basics of micro finance - Role of each department - Product knowledge - Region specific traits - Fundamentals of loan lending and recovery process - Brief on daily responsibilities of a loan officer <p><u>2nd week:</u></p> <p>On the job attachment</p>

“A typical role of a loan officer is to approach individuals or communities and sell our innovative credit facilities. This cannot be taught in classroom and thus we have a very short training program”

- Head of Operations, SMEP (Kenya)

“We feel that customer acquisition can be taught only on the job and by seeing others, and thus we have an on the job approach which allows new recruits to assist loan officers and learn from them”

- Executive Director, Al Halaal Bank (Rwanda)

Only 3 day training as everything else is taught on the job

High on the job component

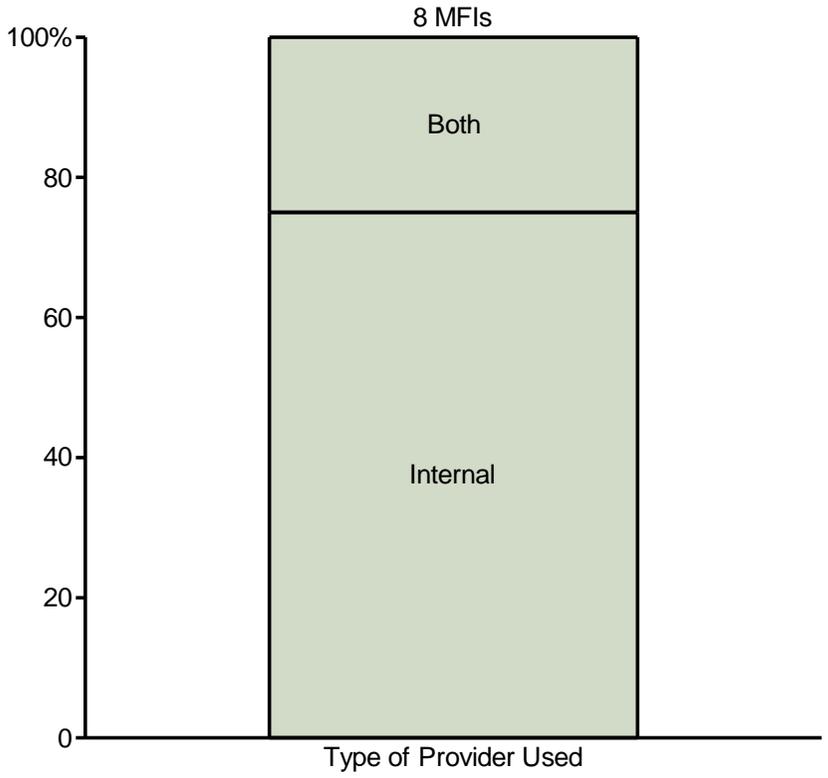
Most of the content covered in various trainings is quite basic and majority of the learning for these recruits happens on the job

FSPs: Entry Level – MFIs

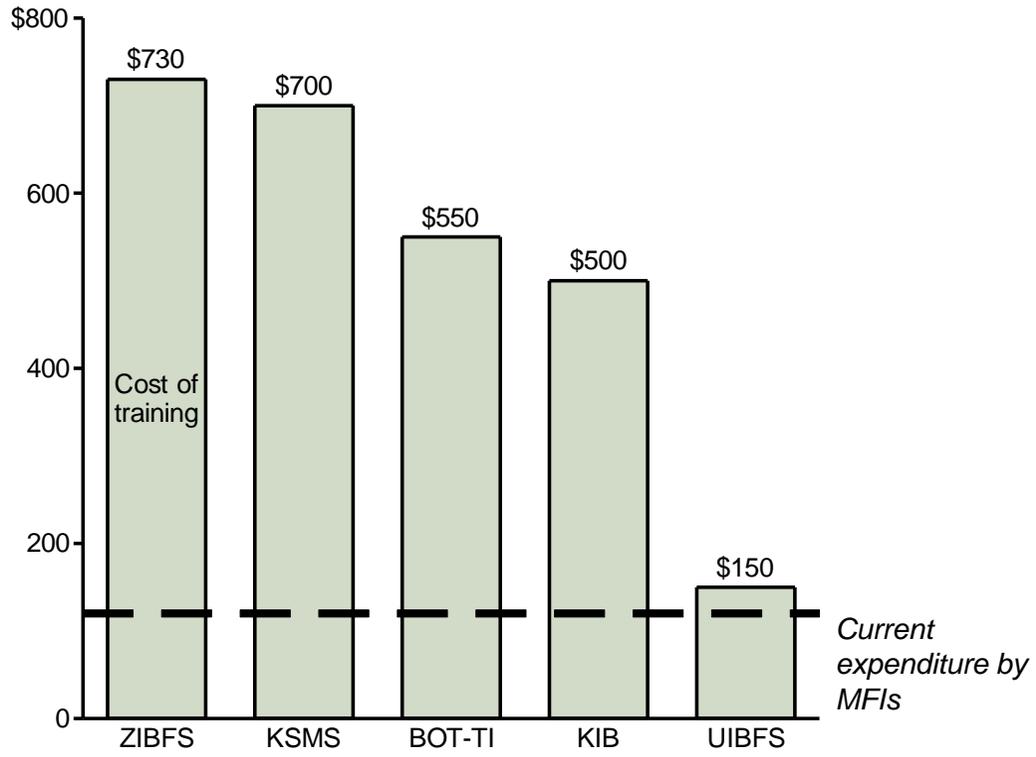
~80% of the MFIs interviewed rely solely on internal training; External providers are unaffordable for most of the MFIs

- B Entry Level (MFIs)
- 2 Training Infrastructure

Q: Do you provide training internally or use external providers?



Cost of Training* Across Providers



Are MFIs satisfied with their current training?



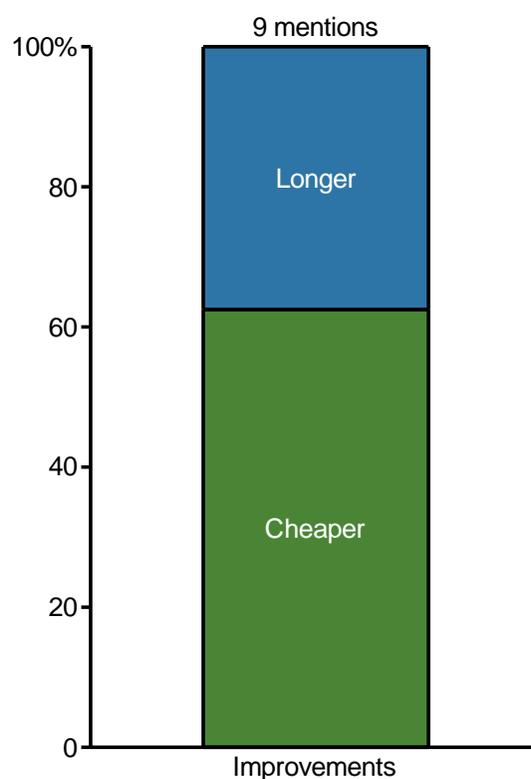
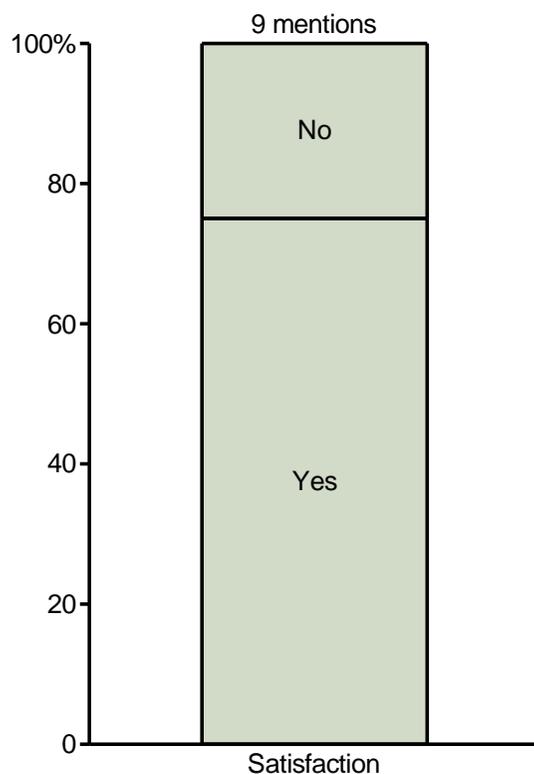
* Credit analytics or treasury management course
 Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

FSPs: Entry Level – MFIs

Most MFIs are satisfied with their current training; cost and length of training are the two improvement areas identified

Q: Are you satisfied with your current training?

Q: What improvements would you like to make in your current training?



"We are able to conduct only a 3 day training as our managers want the new hires to start working as soon as possible. Ideally training should be much longer"

- **Head of Operations, SMEP (Kenya)**

"With a defined budget for the year we are often pressed to choose between advocating and lobbying, and skill development. With that budgetary constraint we tend to focus on advocacy and lobbying as it tends to be of more concern to MFI members on near term basis"

- **Executive Director, Al Halaal Bank (Rwanda)**

Do associations provide training at a lower cost?

FSPs: Entry Level – MFIs

Across EAC, Associations of Microfinance Institutions are not focused on training and skills development

Key Roles and Training Activities Done by the Association of Microfinance Institutions Across EAC Countries

	Kenya	Uganda	Tanzania	Rwanda	Zambia
Role	AMFI	AMFIU	TAMFI	AMIR	AMIZ
Key Role	<ul style="list-style-type: none"> Form an umbrella organization to represent all MFIs in the country and represent them for the government, regulators etc. Interface between MFIs and regulators (lobbying and advocacy with the government) Help in capacity building for MFIs 				
Training Activities		<ul style="list-style-type: none"> Do not have any in-house trainers Assimilate training needs from multiple MFIs and facilitate for an external provider 	TAMFI plays a <u>very small role</u> in coordinating skills development activities	Have facilitated trainers to come and conduct <u>basic trainings</u> like: <ul style="list-style-type: none"> - Accounting for MFIs - Governance - Marketing etc. 	AMIZ has <u>not played</u> any role towards skills development in the past



Is collaboration possible for MFIs entry level staff training?

FSPs: Entry Level – MFIs

Entry level training requirements for MFIs do not have the characteristics for collaboration

	Description	Entry Level (MFI)
		Drive Collaboration?
1 Job Assurance	<ul style="list-style-type: none"> No guarantee of a job placement post course completion 	✘
2A Regulations	<ul style="list-style-type: none"> <u>No government mandated requirement</u> for certification in addition to university qualification before being able to work formally 	✘
2B Scale: <ul style="list-style-type: none"> <i>Economies of Scale</i> <i>Opportunity Cost</i> 	<ul style="list-style-type: none"> <u>Potential scale of training is large enough</u> and does not require significant resources to be deployed by the banks The trainer/trainee opportunity cost (time spent by current management) is small 	✓
3 Training Characteristics: <ul style="list-style-type: none"> <i>Technical vs. Non Technical</i> <i>Contextual and Non Contextual</i> 	<ul style="list-style-type: none"> Training is non – technical in nature Training is highly contextualised and majorly done on-the-job 	✘

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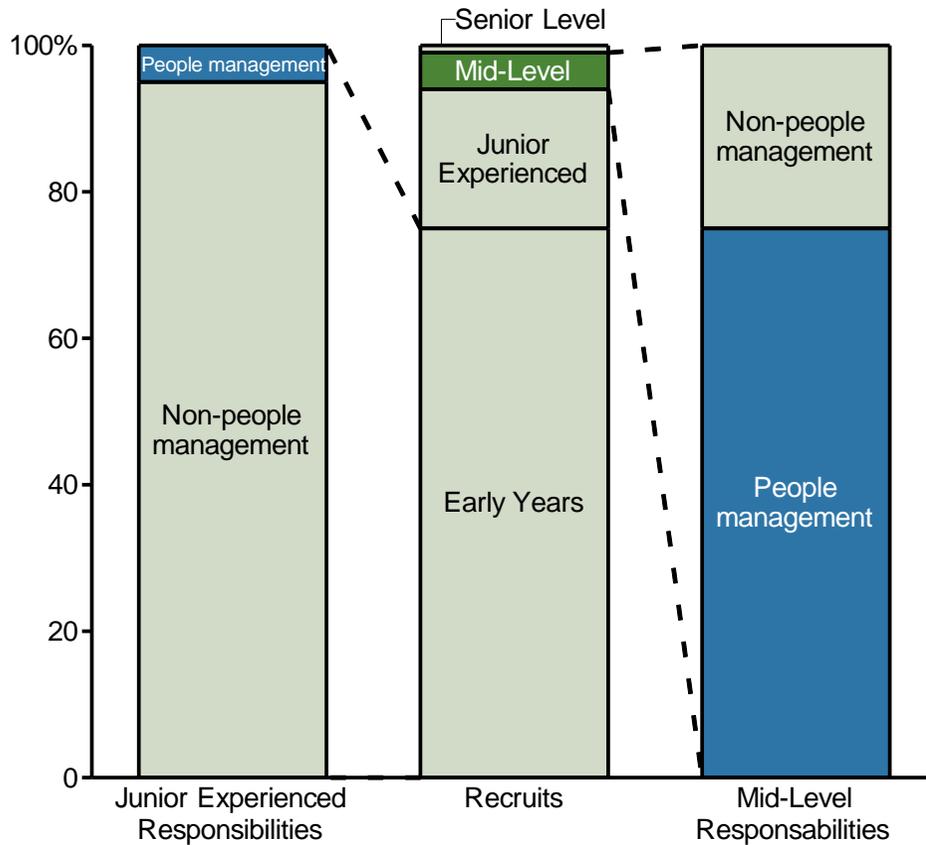
Appendix

FSPs: Mid – Level Management

Mid level recruits are ~4-5% of annual recruits of a mid to large size bank; Mid level managers have significantly higher people management responsibilities as compared to junior experienced

- ⓐ Mid Level (all FSPs)
- ① Demand and Skills Gap

Employee Recruited at Various Levels And Corresponding Responsibilities in FSPs Across EAC



“As people evolve into a mid-managerial position, they have to increase their appetite to take risk and take on more responsibility. This will happen only if they are willing to explore new areas and take on management of larger number of people”

- **HR Manager, Stanbic Bank (Zambia)**

“...the main change in responsibility is that he will now have to manage and be responsible for more number of people. It is for this reason that we have multiple gradations between entry level and mid-manager positions, in order to give this responsibility gradually”

- **Chief Operating Officer, Bank of Kigali (Rwanda)**

How do the skills required change with this change in responsibility?

Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

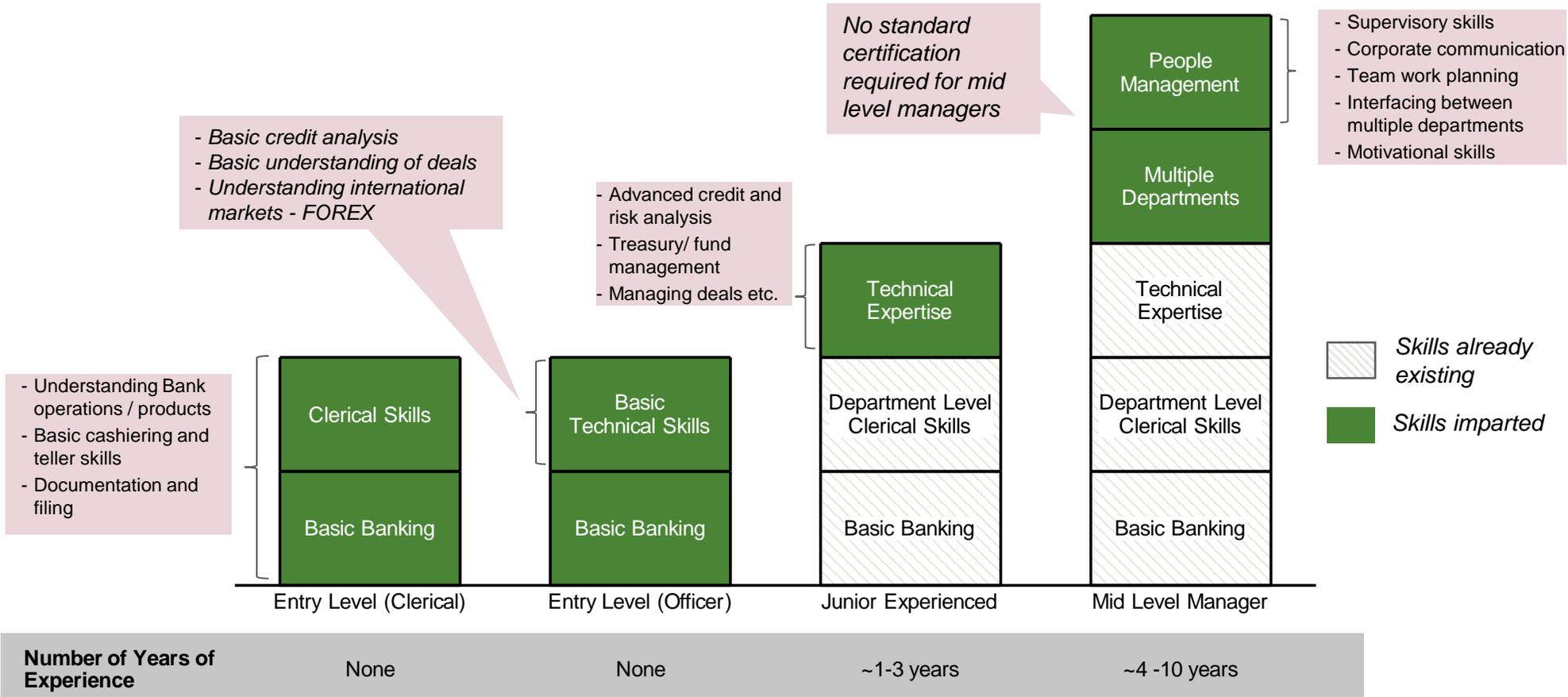


FSPs: Mid – Level Management

Banks require mid-level managers to have more people management (soft) skills in addition to technical skills

C Mid Level (all FSPs)
1 Demand and Skills Gap

Skills Required at Various Employee Levels



Where are these mid – level managers hired from?

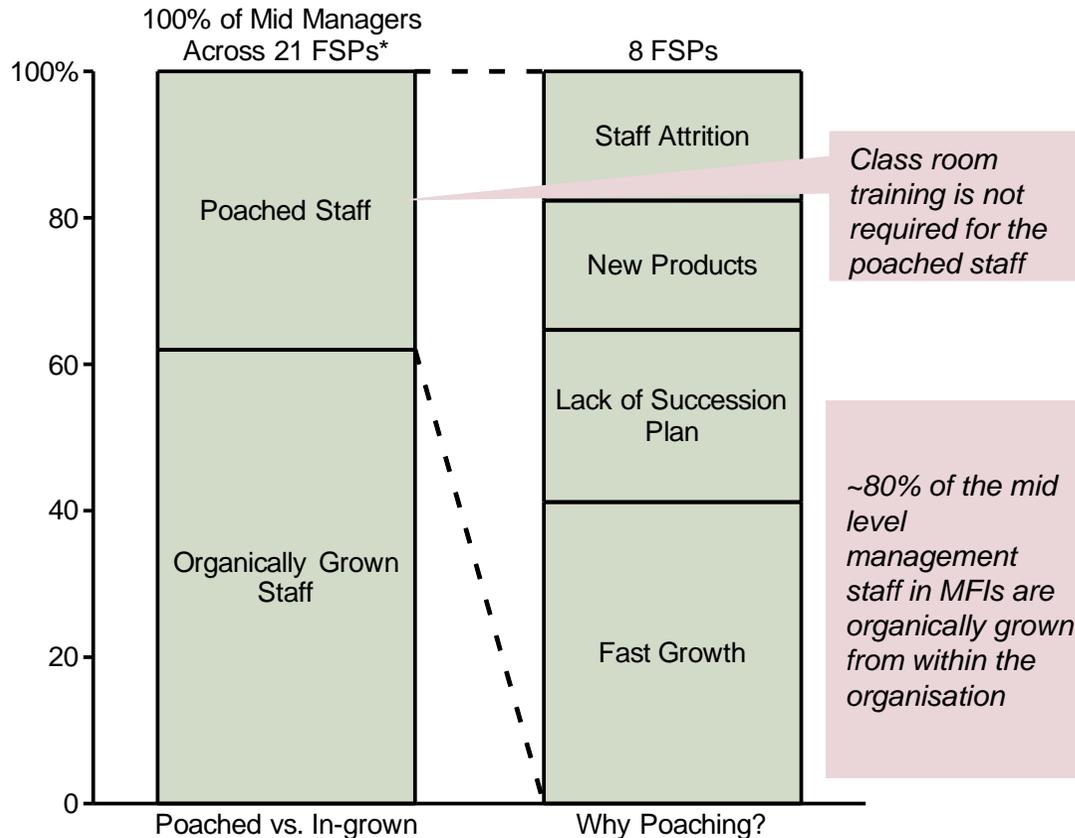
Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)



FSPs: Mid – Level Management

Small and fast growing banks poach ~40% of their mid – level managers while stable banks largely promote organically

Q: Of your current mid level managers, what percentage are in-grown versus poached from other banks?
Q: Why is there poaching / lack of skilled mid-level managers?



“We have opened almost 40 new branches in the past 4 years, with 6 more in the pipeline before the end of 2013. There is no way we can have such a large supply of mid-managers, and hence we have to rely on poaching”

- **Chief Executive Officer, Bank of Kigali (Rwanda)**

“Currently almost all our mid-managers are poached from India and hence we have no talent pipeline development plan in place. We have a new GM who is now trying hard to increase the number of locals by putting a succession plan in place”

- **HR Head, Crane Bank (Uganda)**

“10 years ago, derivatives were hardly known in the market. Today, they are an important investment option. Gas has been found here, hence we need people who can do deal structuring in that sector. We have mobile companies coming into banking services, hence need people to manage that aspect. We need to poach people to manage all these new additions.”

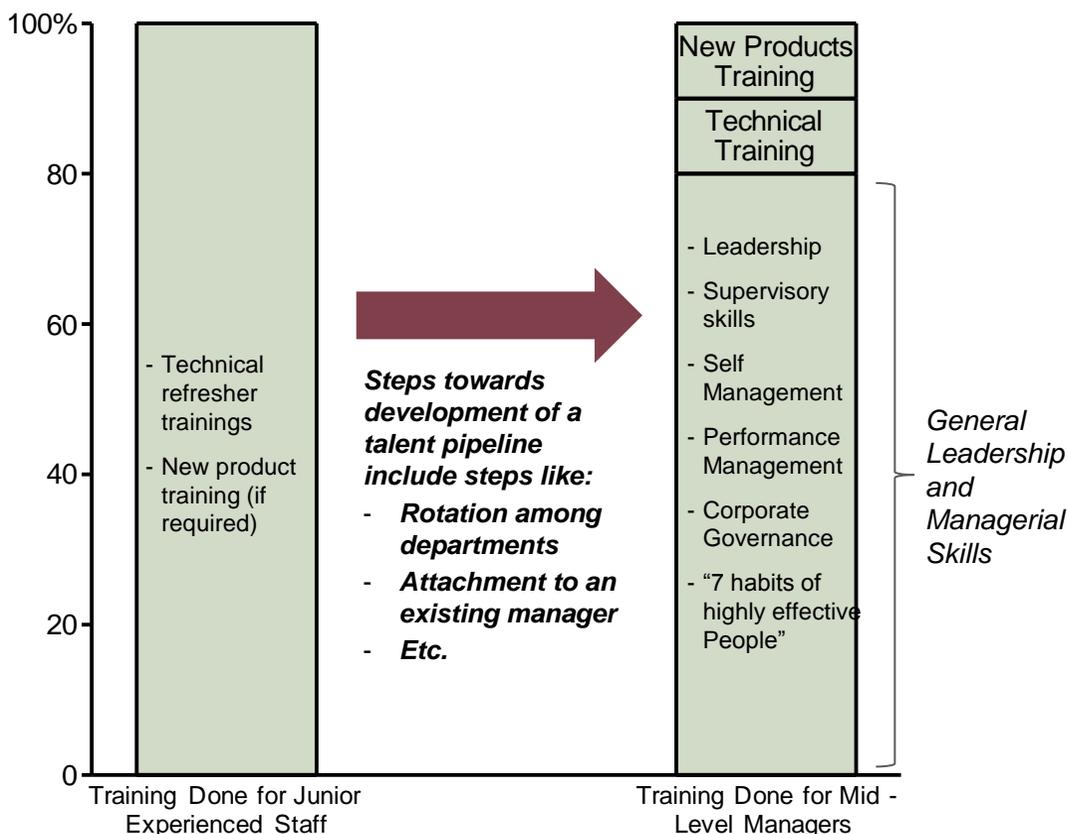
- **Head of HR, Commercial Bank of Africa (Kenya)**

What training is done for the junior experienced staff and the organically grown mid – level managers?

FSPs: Mid – Level Management

Banks that organically promote, generally have to train mid-managers on people management skills

Training Done for the Various Employee Levels in Banks Across EAC



“There is a big adjustment problem. A cashier would have been counting cash for the last 4-6 years. Even when we make him the operations head/ cash supervisor, he finds it very hard to manage other people and tends to keep counting cash”

- **Head, Training and Development, Finance Bank (Zambia)**

“We have a KPI where our staff has to complete 2 trainings every year. For the first 3 years they do various technical trainings. After becoming mid – managers their training becomes mainly non technical

- **Chief Operating Officer, Bank of Kigali (Rwanda)**

“People generally keep working in the same department for 4-6 years. As a result, they are technically very sound but lack managerial, leadership and such soft skills”

- **Chief Executive Officer, Kenya Commercial Bank (Kenya)**

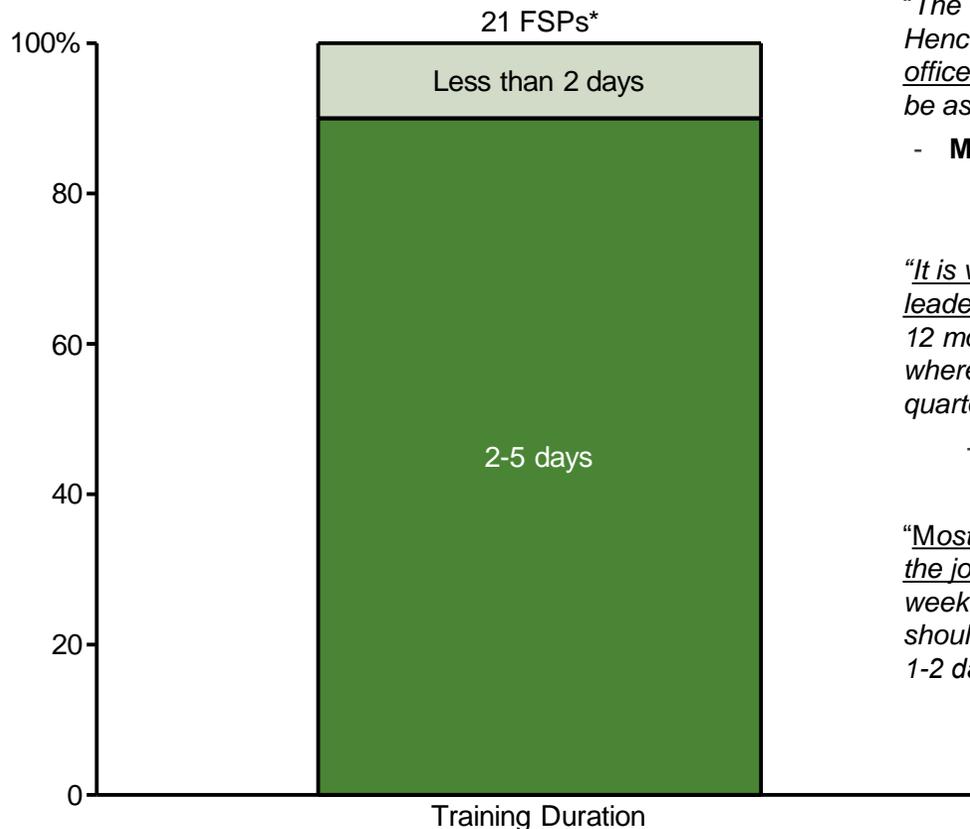
There is no new product training conducted by MFIs for their mid level managers . Focus on the managerial skill aspects

FSPs: Mid – Level Management

Training for mid-level managers is highly contextual and requires significant on the job component within the organization; Banks tend to use shorter duration courses for class-room component of training for mid-level managers

- ① Mid Level (all FSPs)
- ② Training Infrastructure

Training Duration of Classroom Component for Mid-Level Managers, Across EAC



“The total number of mid-level managers are very few. Hence, it is very difficult to take a line manager out of the office for 5 days and have him attend a training. It has to be as short as possible.

- **Manager, Learning and Development, Stanbic Bank (Uganda)**

“It is very important to have practical on the job learning of leadership skills. That is why we are planning to shift to a 12 month leadership program done by external agency, where in the managers will have 3-5 days trainings every quarter/ month

- **Head of HR, Kenya Commercial Bank (Rwanda)**

“Most of the learning for mid-level managers happens on the job and not in a classroom. Right now they do about a week of training and then there is no follow up. There should be a system where they have very short recurring 1-2 day sessions and then they get back on the job”

- **GM, Human Resource, Equity Bank (Uganda)**

Training conducted for the mid level managers in an MFI is highly contextualised.

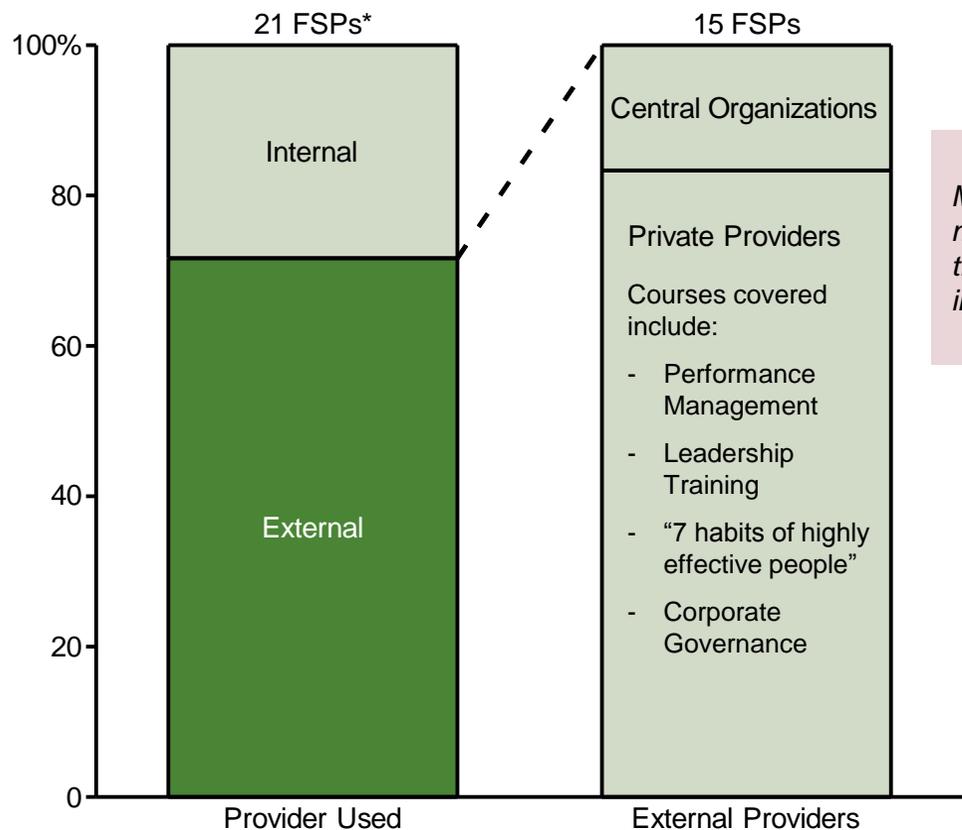
Ex: CETZAM provides a different training on ‘Planning and Management’ for its managers in Copperbelt area as compared to its managers in Lusaka area.

Most of the learning and skills development for mid – level managers happens on the job and not via class-room training

FSPs: Mid – Level Management

Most banks use external providers for their mid level management training; Of these, most banks prefer private providers

Q: What trainers do you use for your mid-management training?



MFIs conduct most of the training internally.

“External providers provide a highly relevant course material and are globally reputed. Thus we prefer to use them extensively for our mid level management training”

- **Head of HR, Kenya Commercial Bank (Rwanda)**

“We conduct a Foundation Leadership Program for our mid-level managers at our own training facility in Johannesburg, using a mixture of our own trainers as well as facilitating some independent consultants to come and train”

- **HR Manager, Stanbic Bank (Zambia)**

“We mostly use our group training resources in Nairobi for training our mid managers, aided by the use of some local providers”

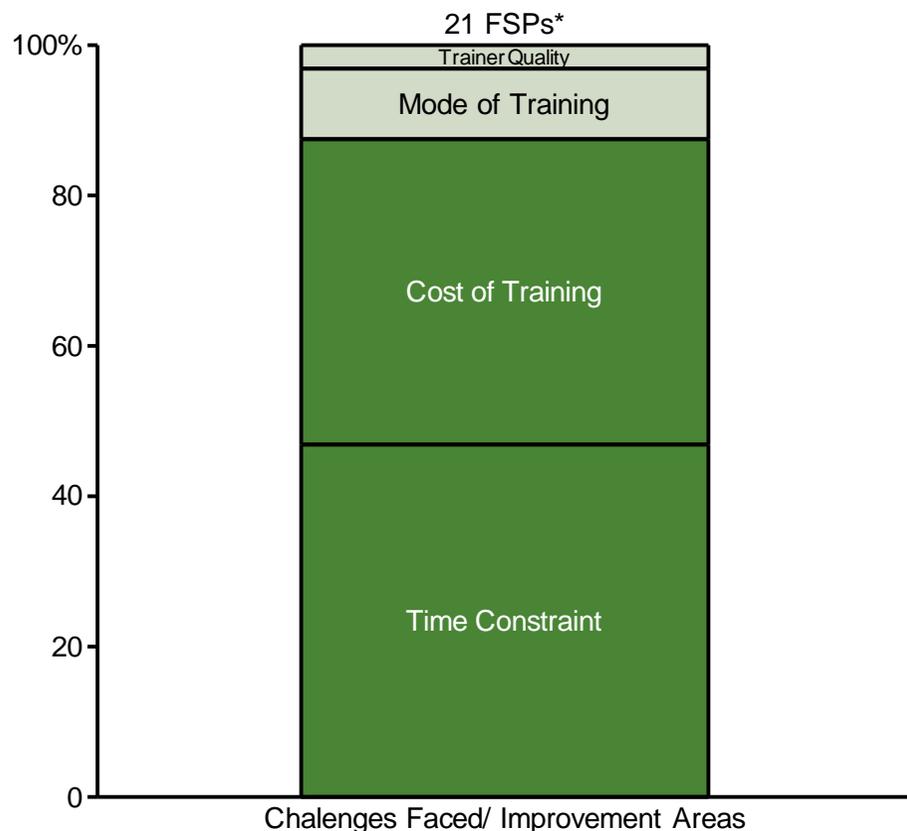
- **Learning and Development Manager, Kenya Commercial Bank (Uganda)**

What are the challenges faced by banks in conducting this mid level management training?

FSPs: Mid – Level Management

Time constraint and cost are the two issues faced by the banks

Q: What challenges do you face/ What improvements would you like to see in the mid level management training?



“We have to take people away from their job, which leads to loss of productivity. In addition, we have to pay them logistic expenses and allowance while they are out training. This is all unnecessary expenditure that we don’t want to make”

- **Head of Training and Development, Finance Bank (Zambia)**

“Managing the schedule of 5-6 mid managers so that they are free at the same time is very tough, which leads to scheduling problems”

- **GM, Human Resources, Equity Bank (Uganda)**

“Cost of training and finding a common time are the biggest challenges in conducting training for our managers. To solve this, we are moving to an online system where ~70% of the technical trainings are uploaded onto the employees account and he is given the flexibility to complete it in a given time window”

- **Head of HR, Barclays bank (Uganda)**

Potential for improvement through collaboration is limited

FSPs: Mid – Level Management

Mid-level management training requirements do not have the characteristics for collaboration

	Description	Mid – Level
		Drive Collaboration?
1 Job Assurance	<ul style="list-style-type: none"> No guarantee of a job placement post course completion 	x
2A Regulations	<ul style="list-style-type: none"> <u>No government mandated requirement</u> for certification in addition to university qualification before being able to work formally 	x
2B Scale: <ul style="list-style-type: none"> <i>Economies of Scale</i> <i>Opportunity Cost</i> 	<ul style="list-style-type: none"> Potential scale of training is small High opportunity cost for the trainee as they are at important positions 	x
3 Training Characteristics: <ul style="list-style-type: none"> <i>Technical vs Non Technical</i> <i>Contextual and Non Contextual</i> 	<ul style="list-style-type: none"> Training is non – technical in nature Training is highly contextualised and majorly done on-the-job 	x

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FSPs: Senior Management

Senior managers typically have 18-20 years of experience; ~70% have MBA degrees with a majority of them doing it from outside E. Africa

		Summary of Characteristics
Work Experience		18 – 20 years
Number of Previous Organizations Worked In		~4 organizations
Educational Qualifications	Highest Qualification	~70% senior managers have an MBA degree
	Discipline/ Specialization	- Almost all MBA's are in finance/ marketing/ economics related fields - Disciplines for the Bachelor degree vary widely
	Country of Getting Degree	~80% of senior managers have achieved their highest qualification from outside E. Africa
	Additional Qualifications	~25% have additional qualifications like the CPA, advanced diploma in Credit etc.
Specialized Certificates		There are no specialized certificates that senior managers have

Senior managers in MFIs have an experience of ~10-12 years

Average time in the current position has been ~4 years, which shows that people change jobs every 4 years

Requirements for Senior Managers That Banks Look For

	Banks
Work Experience	Generally look for at least 8-10 years of experience
Certification	Do not look for any standard certification, except in some special roles (e.g. Finance, law etc.)
Experience/ Exposure	Look for people who have worked across multiple departments and preferably multiple geographies as well

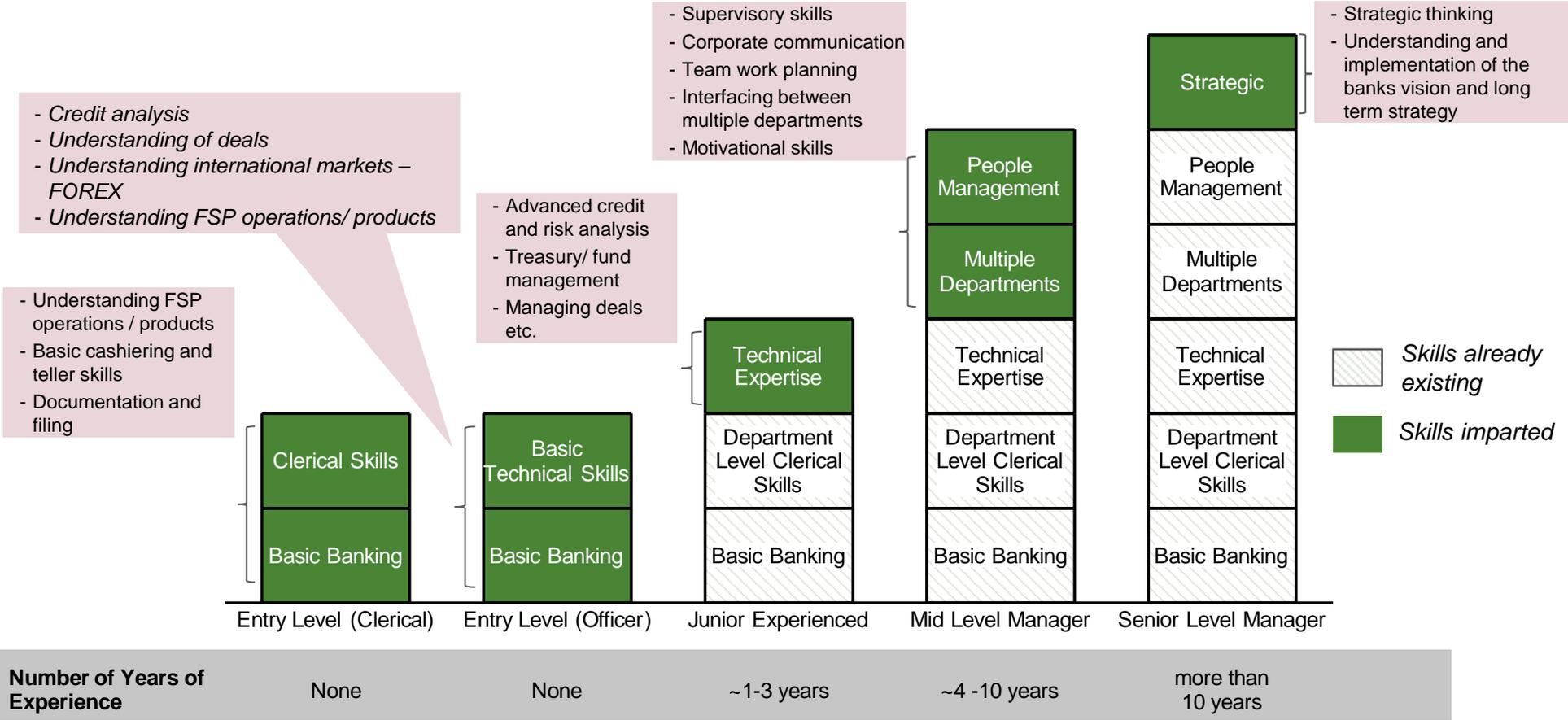
In Zambia, mandatory requirement to have worked in an MFI in Zambia for at least 3 years

FSPs: Senior Management

Senior managers are responsible for the performance of existing business as well as the strategic and future direction of the bank

- D Senior Level (all FSPs)
- 1 Demand and Skills Gap

Skills Imparted at Various Employee Levels



Do banks find it challenging to find senior level managers with these skills?

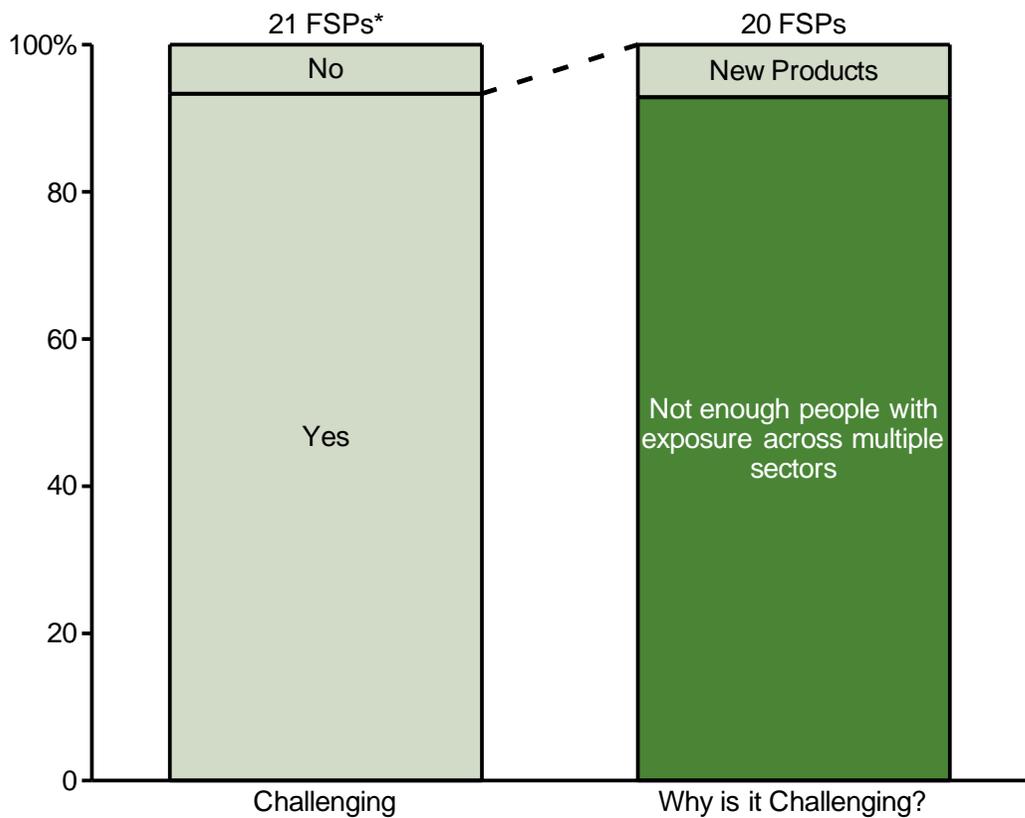
Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)



Almost all banks find it challenging to fill senior level management positions due to the lack of people with the required exposure across departments and organizations

- D Senior Level (all FSPs)
- 1 Demand and Skills Gap

Q: Do you find it challenging to fill senior level management positions? (If yes) Why?



“We have many people in the industry who have been working in credit for the last 15 years. However, all they know is credit, and hence we cannot hire them as senior managers”

- **Head, Training and Development, Finance Bank (Zambia)**

“Right now the banking industry needs a new generation of much more dynamic senior managers who are well plugged into all developments around the world. Most people here are still orthodox”

- **Chief Operating Officer, Bank of Kigali (Rwanda)**

“There has been rapid growth in the market with a number of new banks coming in. As a result, lot of mid managers leave us to go become senior managers in smaller banks”

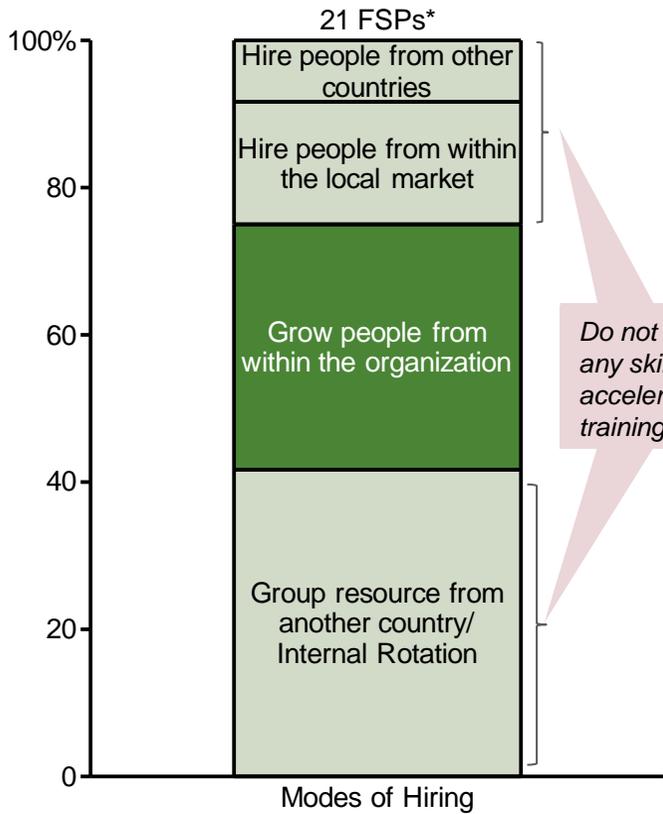
- **Manager, Learning and Development, Stanbic Bank (Uganda)**

How do banks currently recruit senior managers?



Banks rely mainly on either organically growing senior managers or hiring them within the organization from other geographies or business units

Modes of Hiring Senior Managers in Banks Across EAC



"We rely mostly on organically growing people, like our current CFO has been with us for the last 10 years and our MD has been with us for 25 years. Sometimes we also have to get people from other banks in case of a sudden need, for example our current head of corporate banking is from Barclays where he had worked for the last 15 years"

- **Head, Training and Development, Finance Bank (Zambia)**

"We prefer to grow people from within the firm. However, sometimes due to people leaving un-expectedly or as a conscious decision to try a new strategy, we do use head hunting firms for poaching. Also, we don't restrict ourselves to Kenya but also look in the diaspora"

- **Head of HR, Commercial Bank of Africa (Kenya)**

"We only hire from Kenya in case there is a new product we are launching. Otherwise most of our senior managers are from within the country"

- **Chief Operating Officer, Bank of Kigali (Rwanda)**

"We rely both on poaching and growing organically. Most people in areas like securities and forensics etc. are technical without leadership skills, and hence we poach heads for them. On the other hand, you will see that our current Retail Director and Head of Compliance are people who started as cashiers with us"

- **HR Manager, Barclays Bank (Zambia)**

~80% of senior managers in MFIs are organically grown within the organization. Most MFIs are not part of a group and hence cannot rely on internal rotation from other countries

Senior managers being hired from the market or coming via internal rotation do not require any training. What are the possible modes for up-skilling of mid – managers to grow them into senior manager positions?



Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16); * Includes follow back calls made to FSPs

Banks use a combination of qualification top-up, skills top-up, department rotations and attachments for skills acceleration of high potential mid - managers

- D Senior Level (all FSPs)
- 2 Training Infrastructure

Training for high potential mid-managers				
	Key Skill Required	Key Training Component	Potential for collaboration	Done for MFIs?
Qualifications top up	<ul style="list-style-type: none"> Management toolkit Business perspective Analysis / Decision making 	<ul style="list-style-type: none"> Executive MBA Other post graduation 	 <ul style="list-style-type: none"> Collaboration already exists 	X
Skills top up	<ul style="list-style-type: none"> Leadership Strategic thinking People management Corporate Communication 	<ul style="list-style-type: none"> Personal coaching Short 3-4 day training Long training with short classroom 		X
Department Rotations	<ul style="list-style-type: none"> Interfaces/ synergies between departments Broader understanding of business 	<ul style="list-style-type: none"> Rotation in multiple departments 		✓
Attachment/ Mentoring	<ul style="list-style-type: none"> Bank strategy and goals Bank networks Understanding change in roles and responsibilities 	<ul style="list-style-type: none"> Rotation in multiple departments Rotation to other country branches 		✓

“We have a “Pan Africa Leadership Program” where every year 2-3 people are identified from each country . They are then taken through a 1 year leadership training where they meet for a few days every quarter. These people are then mostly promoted to senior positions

- HR Manager, Barclays Bank (Zambia)

“A personalised profiling is done for the identified mid – manager. Based on that, we can either send him for an accelerated management program or second him to another country office or let him do job shadowing. The process varies for each person based on the gaps identified for them”

- Head of HR, Commercial Bank of Africa (Kenya)



**How do various banks address mid – management up - skilling?
What is the suitability of collaboration?**

FSPs: Senior Management

Various banks use different combination of these modes for skills acceleration

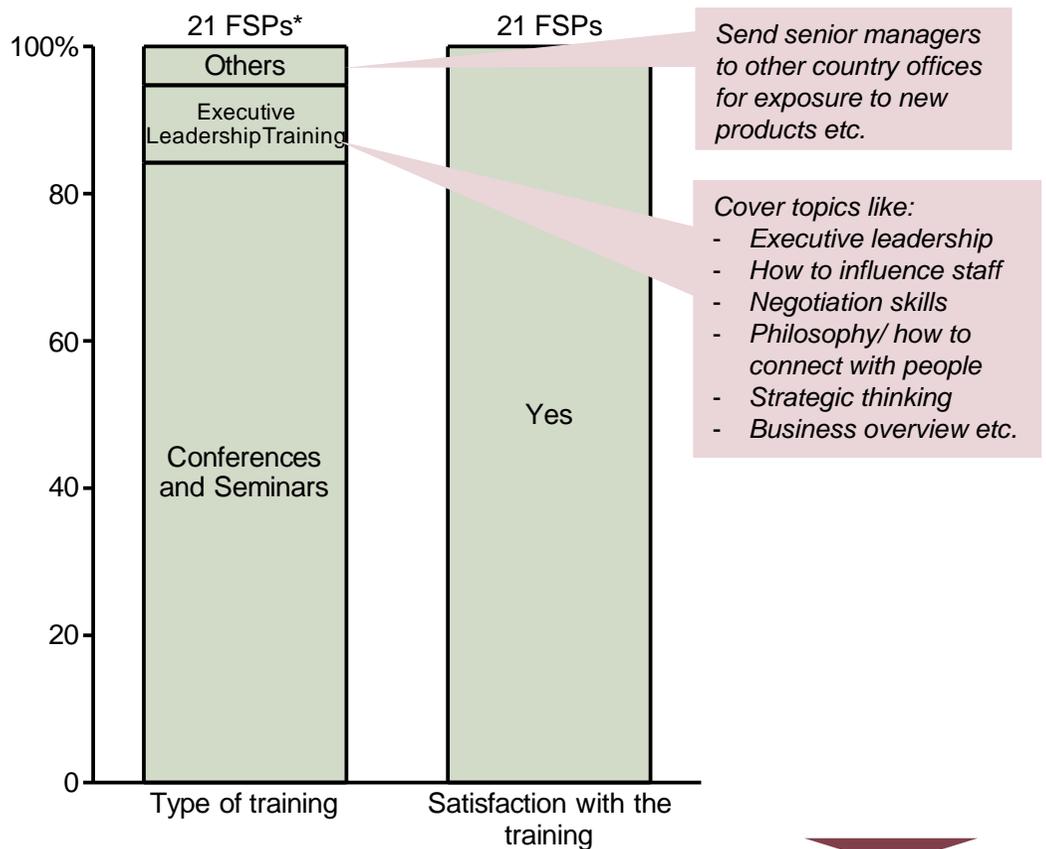
	Bank			
	Barclays Bank	Stanbic Bank	Finance Bank	Commercial Bank of Africa
Methods Adopted	<ul style="list-style-type: none"> Skills top – up 	<ul style="list-style-type: none"> Skills top – up Department Rotation 	<ul style="list-style-type: none"> Department rotations Attachments/ mentoring 	<ul style="list-style-type: none"> Qualification top – up Department rotation Attachments Skills top – up
Details of Strategy Adopted	<p><u>Pan Africa Leadership Program:</u> Potential talent is identified from each country and then sent for this training</p> <p>It is a year long program, with 3-5 day classroom sessions every quarter</p>	<p>12 day skills acceleration program conducted for identifying potential talent. Cover topics like</p> <ul style="list-style-type: none"> Management the Stanbic way Long term group strategy Holistic understanding of the business etc. <p><u>Department Rotation:</u></p> <ul style="list-style-type: none"> Person is made to spend 6 months working across different departments in the bank May also have people seconded to another country office 	<ol style="list-style-type: none"> <u>Department Rotations:</u> The person spends ~2 months each in different departments of the bank <u>Attachment/ Mentoring:</u> The person is made to work under one of the senior managers for 1-2 months to understand roles and responsibilities of a senior manager 	<ol style="list-style-type: none"> <u>Qualification top – up:</u> Give them opportunities like time off and interest free education loans for an executive MBA <u>Department Rotation</u> Depending on the skills that are required, second people to offices in other countries <u>Attachments:</u> Allow the person to do “job-shadowing” with a senior manager <u>Skills top – up:</u> Do multiple trainings like the Accelerated Management Program at Strathmore or the <i>Bullet Proof Manager</i> training by Raiser Group
Suitability/ Potential for Collaboration				

Suitability for collaboration for the up-skilling of high potential mid – managers is very low
What training is done for the existing senior managers?

FSPs: Senior Management

Banks do not conduct any training for senior managers; mainly send them for conferences and seminars to gain exposure

Q: What trainings do you do for existing senior managers?
Q: Are you satisfied with the training?



Send senior managers to other country offices for exposure to new products etc.

- Cover topics like:
- Executive leadership
 - How to influence staff
 - Negotiation skills
 - Philosophy/ how to connect with people
 - Strategic thinking
 - Business overview etc.

“We mostly send them for conferences and seminars so that they can get exposure to other executives and to new ideas. Sometimes we also send them for executive leadership trainings to our group office in Kenya”

- **Chief Operating Officer, Kenya Commercial Bank (Rwanda)**

“..feel that they don’t really have time for doing any training and neither do they need any training”

- **Manager, Human Resources, Diamond Trust Bank (Uganda)**

“Senior managers would typically go for seminars and conferences like “New Trends in the Banking Sector”. The main purpose at that stage is networking”

- **HR Manager, Stanbic Bank (Zambia)**

Existing senior managers do not require any additional training
Is collaboration possible for senior management training?



FSPs: Senior Management

Senior-level management training requirements do not have the characteristics for collaboration

D Senior Level (all FSPs)
3 Perspective on Collaboration

	Description	Senior – Level
		Drive Collaboration?
1 Job Assurance	<ul style="list-style-type: none"> No guarantee of a job placement post course completion 	X
2A Regulations	<ul style="list-style-type: none"> No government mandated requirement for certification in addition to university qualification before being able to work formally 	X
2B Scale: <ul style="list-style-type: none"> Economies of Scale Opportunity Cost 	<ul style="list-style-type: none"> Potential scale of training is small High opportunity cost for the trainee as they are at important positions 	X
3 Training Characteristics: <ul style="list-style-type: none"> Technical vs Non Technical Contextual and Non Contextual 	<ul style="list-style-type: none"> Training is non – technical in nature Done primarily via conferences/ seminars 	X



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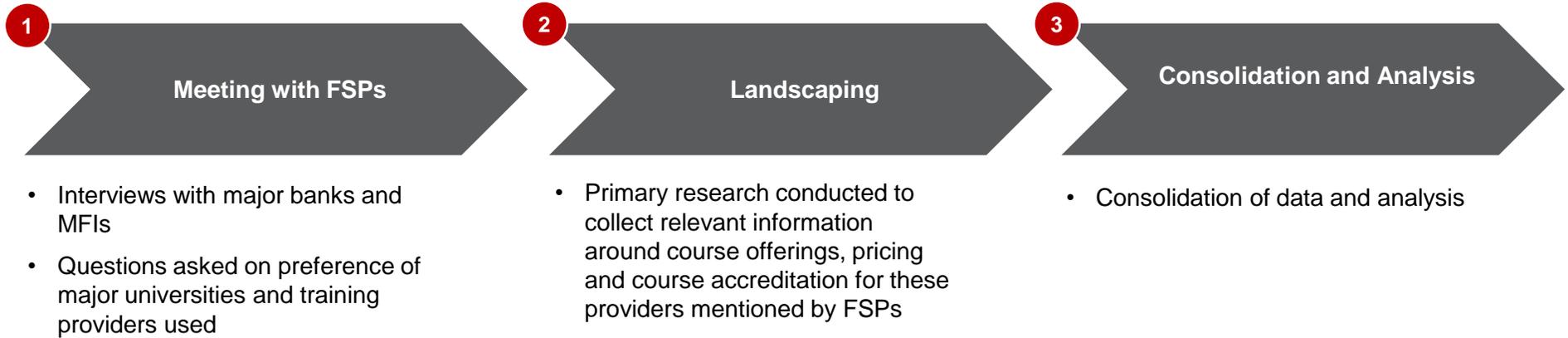
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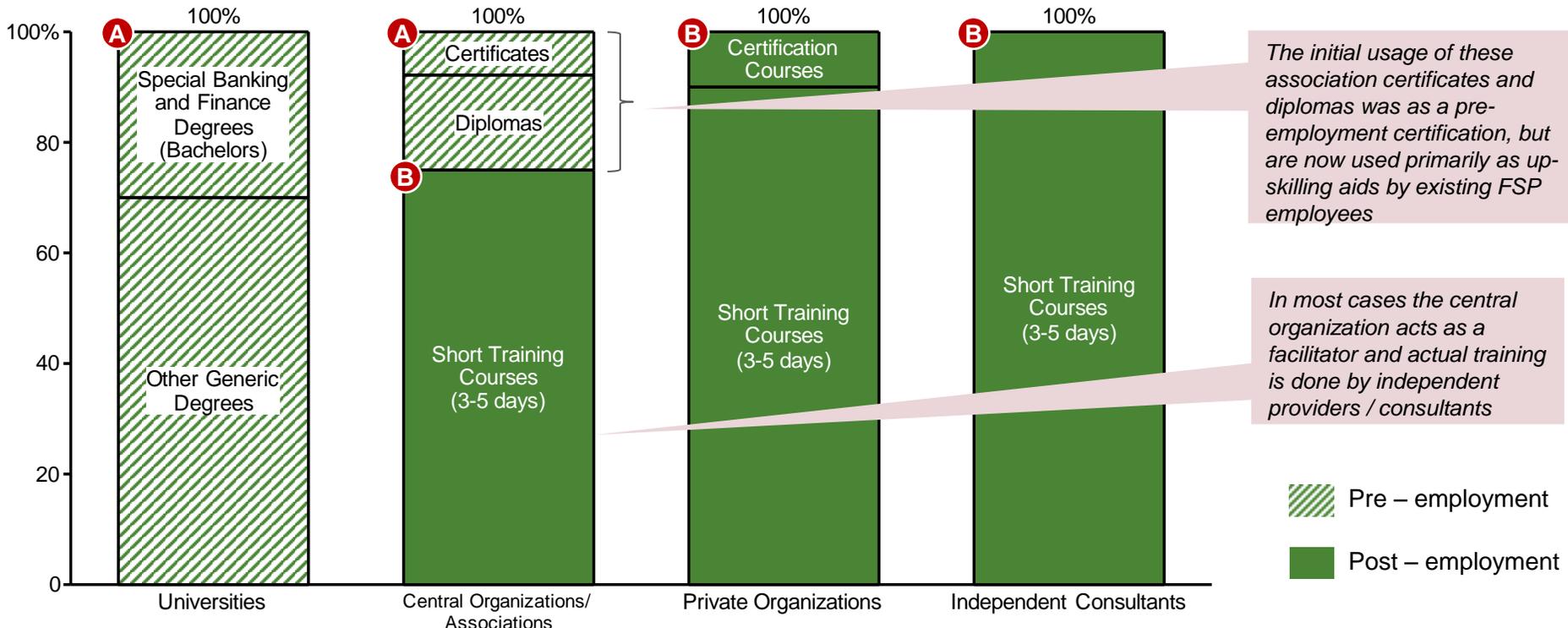
Research Methodology



Supplier Landscape

Four types of providers are used for pre-employment education and post-employment training and education in the EAC region

Types Of Education And Skills Providers In The Financial Sector, Across EAC



The initial usage of these association certificates and diplomas was as a pre-employment certification, but are now used primarily as up-skilling aids by existing FSP employees

In most cases the central organization acts as a facilitator and actual training is done by independent providers / consultants

 Pre – employment
 Post – employment

Examples	Universities	Central Organizations/Associations	Private Organizations	Independent Consultants
	Strathmore, University of Dar es Salaam, Copperbelt University	Kenya School of Monetary Studies, Institute of Bankers	Euromoney, Omega Performance	Tom Lolton Sean Covey



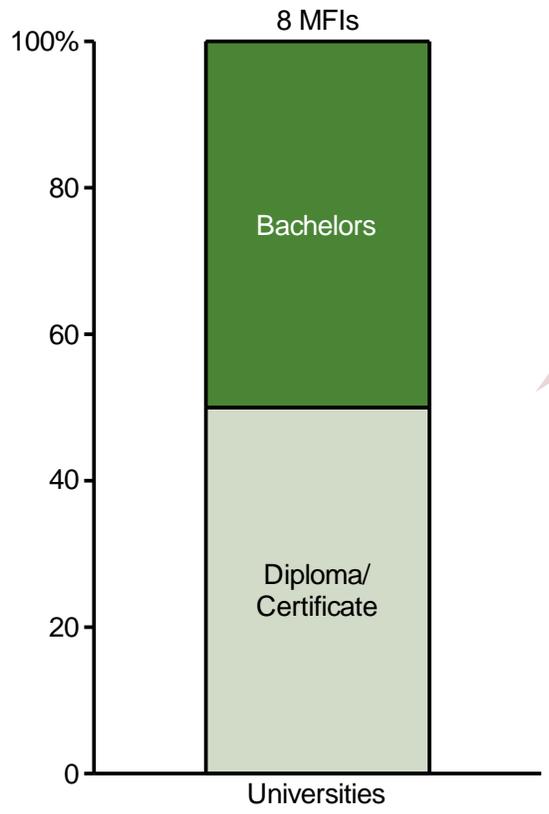
Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Supplier Landscape

MFIs in EAC hire ~40-50% diplomas while banks across EAC primarily only hire degree holders

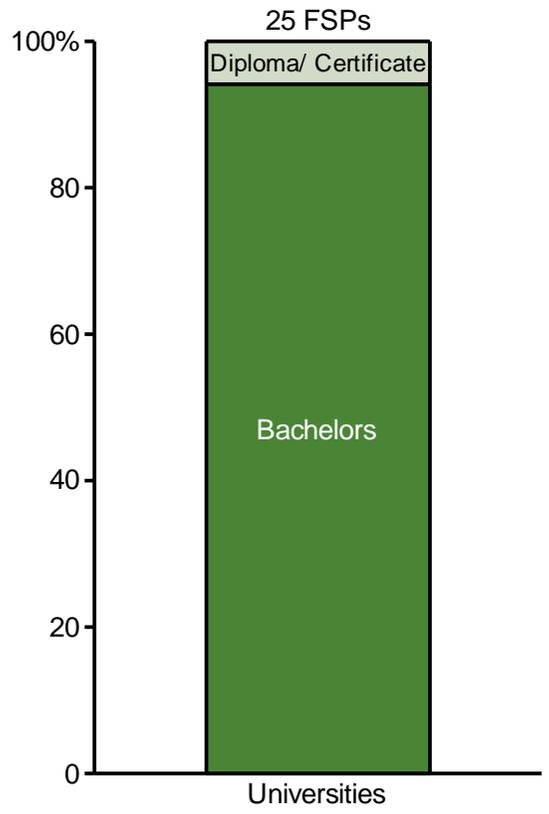


Types of Students Recruited by MFIs From Universities Across EAC



MFIs across EAC hire diplomas due to their tendency to stay with them for longer as they have lower job expectations

Types of Students Recruited by Banks From Universities Across EAC



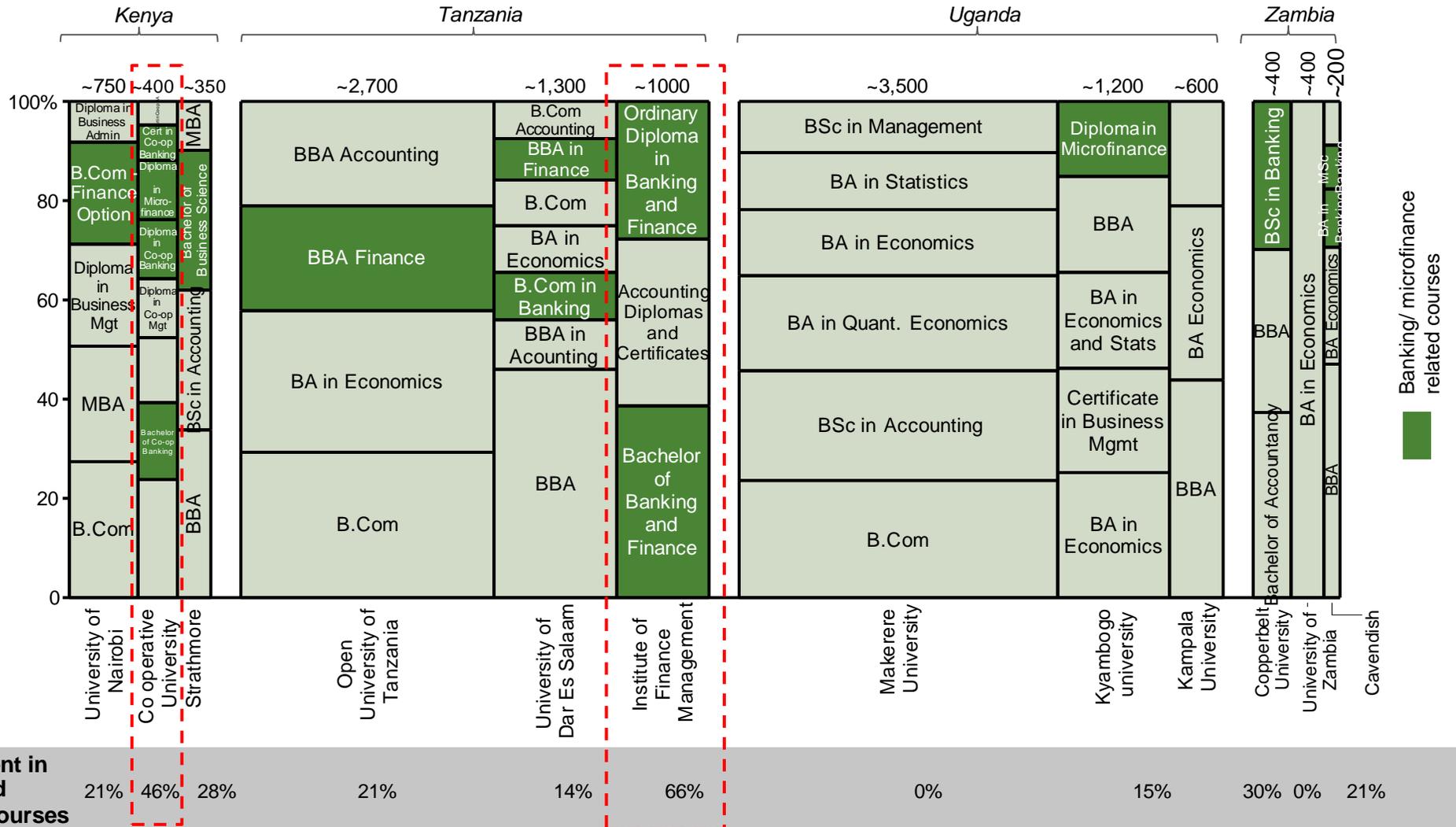
Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Specialist institutes have ~50% graduates in banking/ microfinance related courses while universities have only ~15-20% of relevant disciplines in banking/ microfinance



Pre – employment (Universities)

Specialised and Generic* Courses Offered by Top Universities and Other Specialist Institutes, by Country



The relevant courses only include relevant business and economics courses like B.Com, BBA etc.
 Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16); Parthenon Secondary Research



Pre/ Post – employment
(Central Organizations)

Supplier Landscape

Associations and apex bodies are at different stages of evolution in different countries across EAC

	Bankers Association		Institute of Bankers/ Institute of Banking and Financial Services		Any Other Specialized Central Institution
Main Objective	<ul style="list-style-type: none"> Official umbrella body that represents all the commercial banks in the country Works towards standardizing management practices to ensure harmony and professionalism in the industry 		To provide professional banking education to all member banks		
Kenya	<ul style="list-style-type: none"> Largest Banking Body in East Africa, with 43 member banks Only Association to have its own clearing house Have multiple functioning committees 		<ul style="list-style-type: none"> Long established institute offering both basic and advanced diploma Offers more than 50 specialized banking courses 		<u>Kenya School of Monetary Studies</u> A legal arm under the central bank with the objective of providing professional courses as well as short skills trainings
Tanzania	<ul style="list-style-type: none"> Represents all commercial banks in Tanzania Currently building capacity along the lines of KIB 		<ul style="list-style-type: none"> Long established institute offering both basic and advanced diploma Offers more than 50 specialized banking courses 		<u>Bank of Tanzania – Training Institute:</u> Training arm under the central banks. Only facilitates short skills trainings
Uganda	<ul style="list-style-type: none"> UBA staff currently consists of only 2 people, with remainder of the functioning handled by individual committees (which are formed by member banks) 		<ul style="list-style-type: none"> UIBFS offers both basic and advanced diploma; It graduates only ~ 40 students per year through its professional courses Skills training provided to ~800 people every year 		N/A
Rwanda	<ul style="list-style-type: none"> Established only 4 years back Still to build a good rapport with the banks 		<ul style="list-style-type: none"> Rwanda does not have an institute of bankers Under the process of setting up with partnership of UBA/ UIBFS 		N/A
Zambia	<ul style="list-style-type: none"> Currently handled by a single person In process of setting up multiple committees to address different issues 		<ul style="list-style-type: none"> ZIBFS provides banking diploma only; started the advanced banking diploma this year Few short trainings (~once a month) 		N/A

Level of Establishment

Low High



Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)



**Pre/ Post – employment
(Central Organizations)**

Rwanda does not currently have a Institute of Bankers. The Bankers Association is in the process of setting it up by signing an MoU with the UIBFS / UBA

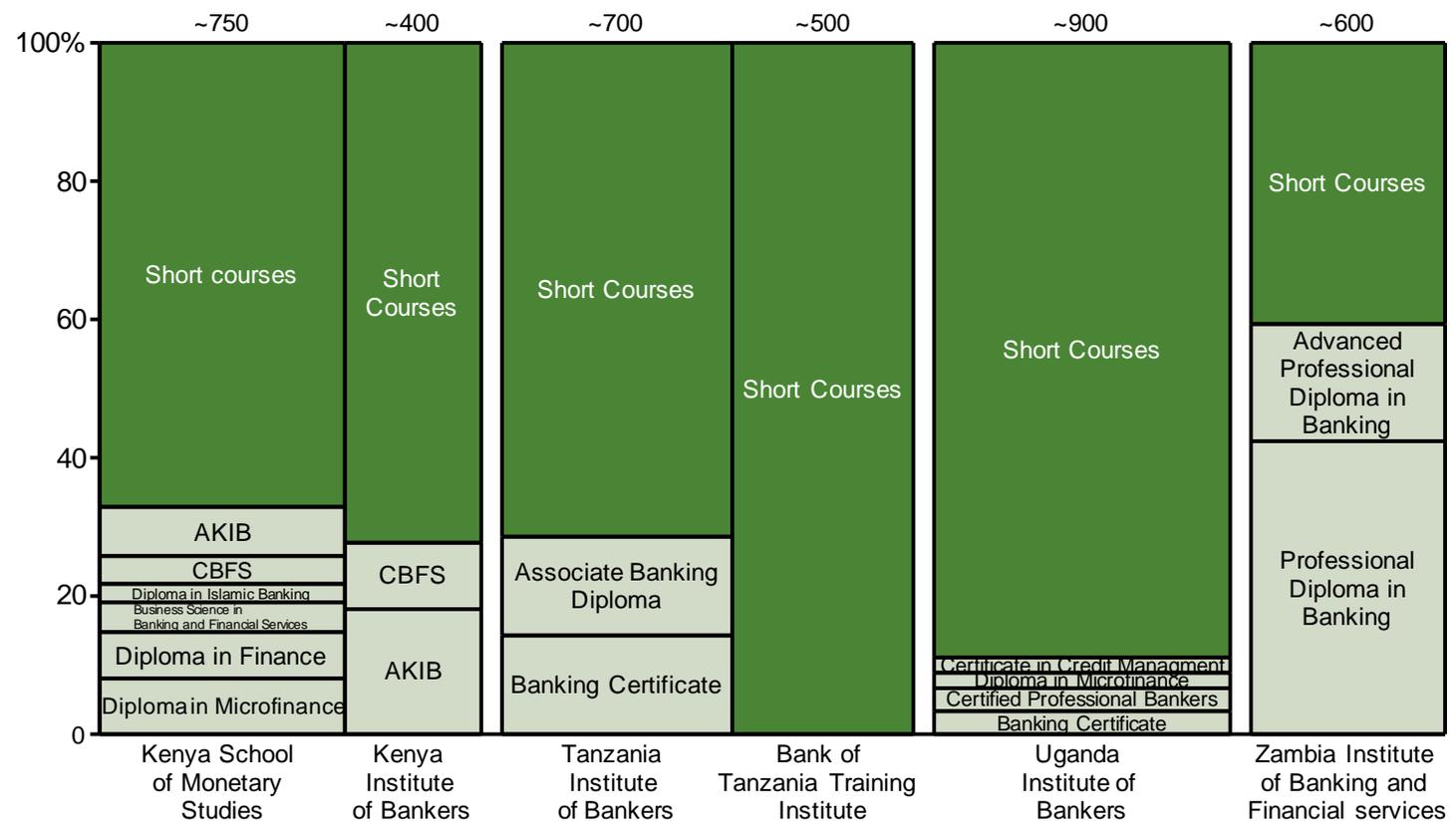
High enrolment is being driven by a few large banks who are in the process of up-skilling all their non-graduate staff (E.g. Finance bank)

These are not run as regular courses; they only offer the course material and then students have to study on their own and clear examinations

Supplier Landscape

Across EAC, associations focus more on short training courses

Number of Students Being Trained by Central Organizations Across EAC



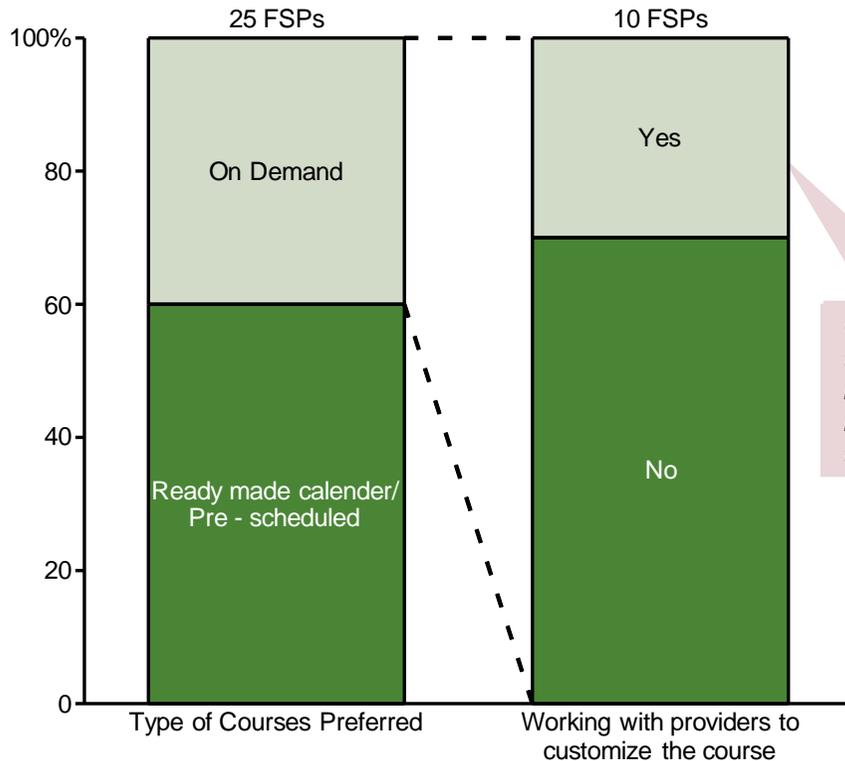
% Certificate and Diploma Courses	33%	28%	29%	0%	11%	59%
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Associations mainly focus on up – skilling and hence provide short courses



Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Course Preference For FSPs, Across EAC



Customization limited to selection of training modules to be included and not for training content

“We typically arrange a provider for a certain training, and multiple banks avail it. As for training on demand, it happens mostly for the foundation course, which is the same for all banks”

- Chief Executive Officer, Zambia Institute of Banking and Financial Services

“We work with KIB in order to customize the course as per our needs. We revise this course over regular interval so as to have our training updated with current needs”

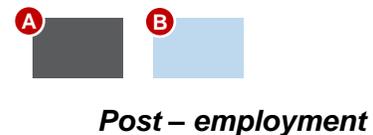
- Director of HR, CRDB Bank (Tanzania)

“For doing a credit training, we would send the banks a universal list of topics we can cover. Based on their need the bank would then choose which topic to cover and which not”

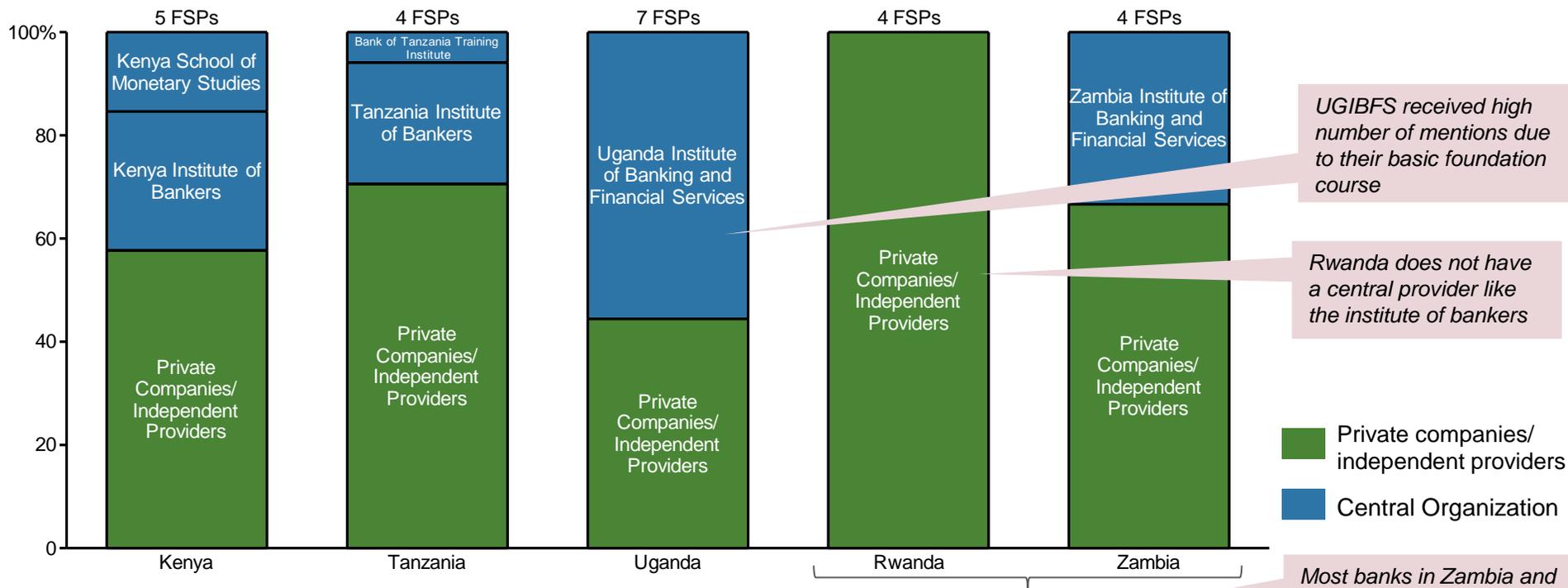
- Executive Director, Uganda Institute of Banking and Financial Services

What type of providers are preferred by FSPs across EAC?

FSPs across EAC prefer private providers over associations; In Uganda the Institute of Bankers is preferred mainly for their foundation course



Usage of Private Companies/ Independent Providers for Skills Training In Countries Across EAC



	Kenya	Tanzania	Uganda	Rwanda	Zambia
Average Fees* by Private Providers	\$1.4K	\$1.7K	\$1.3K	\$1.8K	\$2.1K
Average Fees by Central Provider	\$0.5K	\$0.6K	\$0.2K	N/A	\$0.8K

Why are private providers preferred?

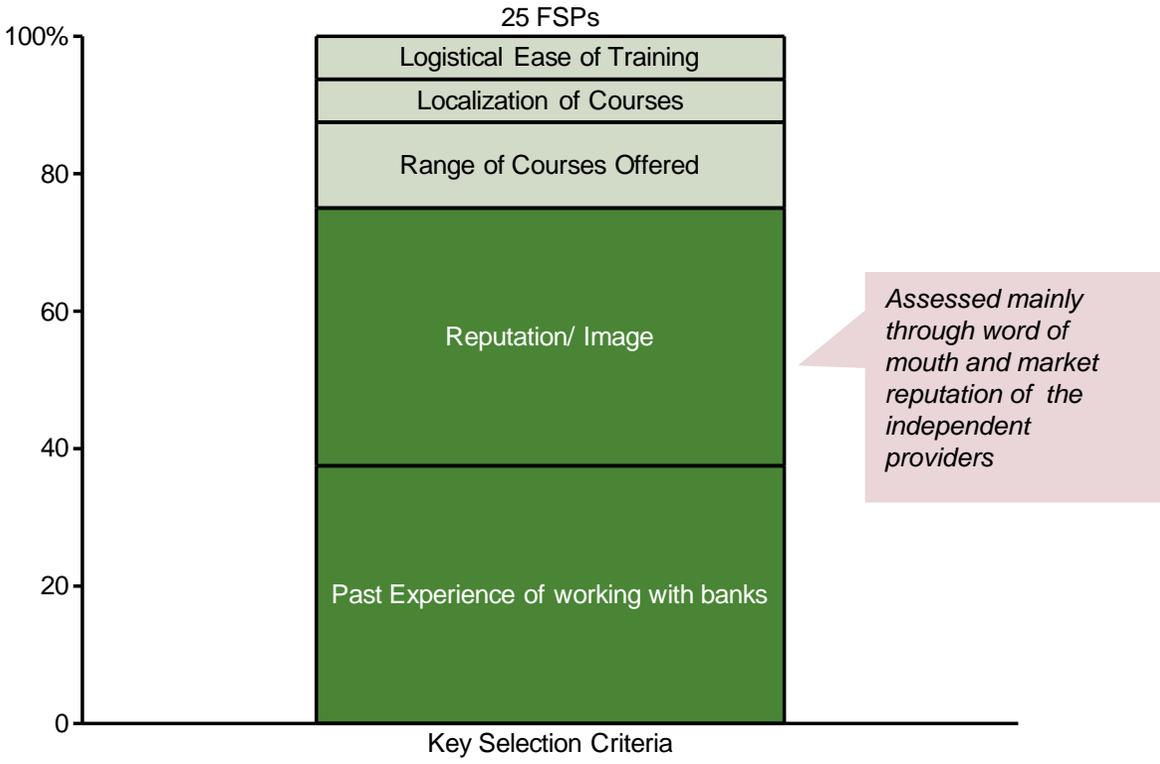


**Course fees is of the 5 day basic credit/treasury management course for entry level staff
 Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16) ;

Past experience with the provider and the providers reputation in the market are seen as the key selection criterion for choosing external providers



Selection Criterion for Choosing Private External Providers



“Most of our decisions are based on the past relationships with these provider. They exactly know what we want and we know what they are going to deliver ”

- **Head of Human Resource, Diamond Trust Bank (Kenya)**

“There is no structured process as such for choosing providers as most of them provide similar courses. Thus global reputation and past clientele are the key criteria”

- **Head of Human Resources, Crane Bank (Uganda)**

“We thoroughly vet our trainers. We check their past track record to ensure they have done work previously and that the past employers are satisfied. We only hire them after this screening”

- **Deputy head of HR, I&M Bank (Rwanda)**

Which private providers are used in the market?

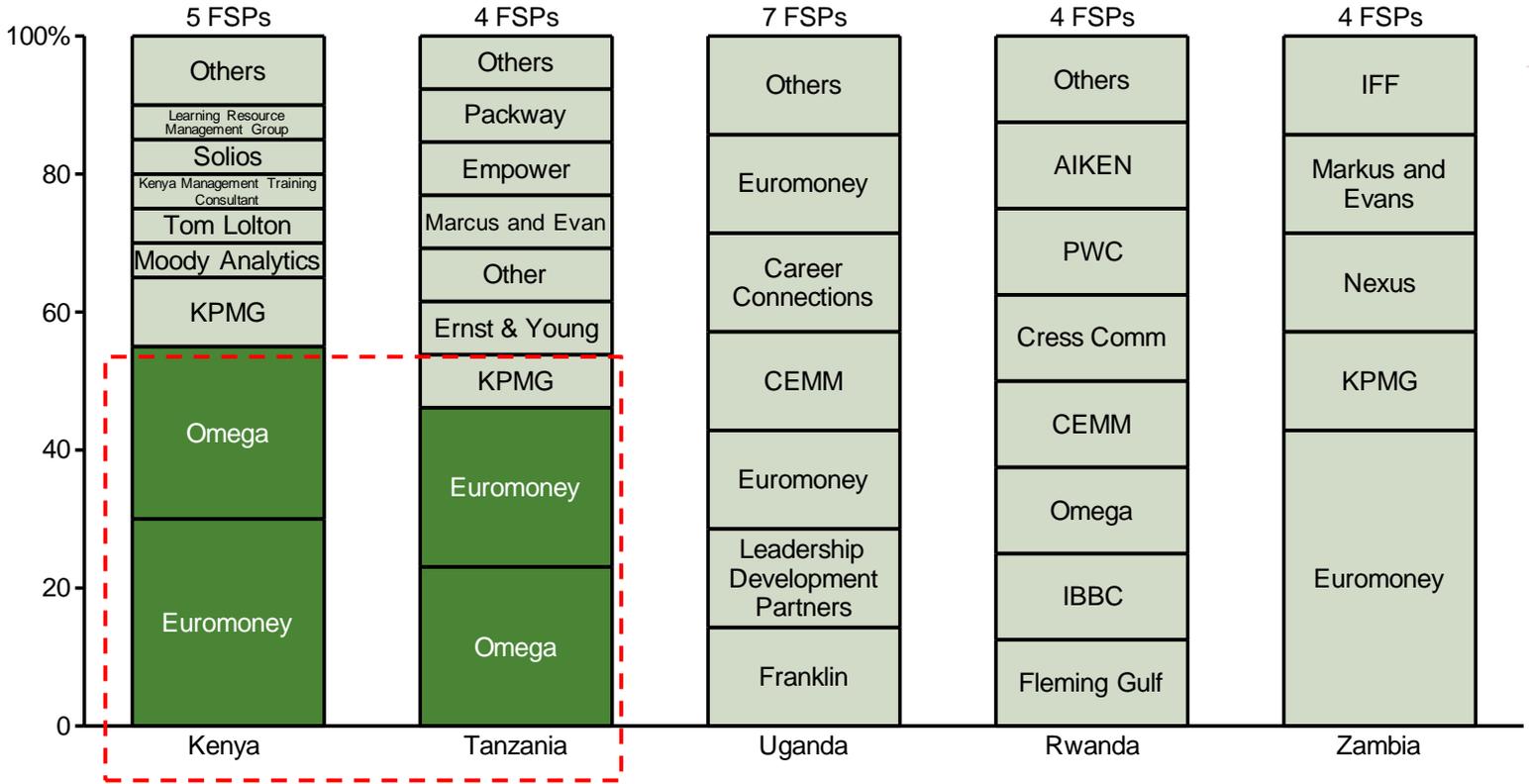


Euromoney and Omega are prominent providers in Kenya and Tanzania; provider market is fragmented in the other EAC countries



Post – employment

Private Companies/ Independent Providers Used for Skills Training In Countries Across EAC



Euromoney and Omega are not commonly used in Rwanda and Zambia due to very high course fees

Why are Euromoney and Omega preferred over other private providers?



*Other private providers include players like Ernst & Young, KPMG, CEMM, Packway, Marcus and Haven, Sean Covey, Cress Comm, Prosoft, Fleming Gulf, AIKEN, CEMM etc.
 Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Supplier Landscape

Euromoney is a preferred provider due to its good reputation in the market, good quality trainers and wide range of courses offered

Key Drivers of Success

1

Good Reputation

- Established in 1987
Euromoney is recognised as a leading training provider by banks globally
- It has a strong client base with leading financial institutions like HSBC, Citi and Barclays as its regular clients

2

Good Quality Trainers

- High quality trainers, with vast experience in the industry and in training
- Example:
The Euromoney course on Budgeting and Financial strategy is taught by an emeritus professor of Henley Business School, who is also on board of directors and advisor to a major financial institution in UK

3

Range of Courses Offered

- Euromoney provides various courses across ~20 key banking fields
- Option of various trainings within each field

4

Other Features

- Euromoney provides a multilingual staff for training with fluency in Swahili, French and other commonly spoken languages in East Africa
- Course material frequently updated by seeking constant feedback from banks

Supplier Landscape

There is no single central body that accredits course trainings and training material; all providers design their own training content

	Trainings Provided	Training Content Designed	Training/ Content Accreditation
Euromoney	<ul style="list-style-type: none"> • Credit Analysis • Treasury skills • Corporate Banking • Retail Banking • Audit • Customer Care • Compliance • Cashier and teller training • Credit analysis • Anti – money laundering • KYC • Leadership training etc. 	Internally	Training accredited by <ul style="list-style-type: none"> - British Accreditation Council (BAC) - Continuing Professional Development (CPD) certification service
Omega Performance		Internally	<ol style="list-style-type: none"> 1. <u>Charles Strut University</u> Credits can be earned towards CSU banking or finance certificate courses by doing certain modules of the Omega training 2. <u>Chartered Institute of Bankers Scotland:</u> Individuals successfully getting the Omega Advanced Diploma in Credit also receive 3 credits towards the Chartered Banker Award 3. <u>Institute of Banking and Finance (Singapore):</u> The IBF has accredited Omega as a Financial Industry Competence standard (FICS) training provider in the area of corporate banking 4. <u>University of Phoenix:</u> Students can earn college credits towards degree programs for the in-house training they receive in 5 of Omega’s credit courses
MicroSave		Internally	x
Kenya Institute of Bankers		Internally	x <i>None of the short trainings are accredited by any central authority</i>
Kenya School of Monetary Studies		Internally	<ol style="list-style-type: none"> 1. The Diploma in Business Science was developed with and validated by the Kenya Institute of Education <p style="text-align: right;"><i>None of the trainings are accredited</i></p>

Supplier Landscape

Independent providers are used on demand to provide niche skills to the employees; Courses across providers are similar on academic aspects

	Euromoney	Omega	MicroSave	KIB
Name of the course	<ul style="list-style-type: none"> Basics of Credit Analysis 	<ul style="list-style-type: none"> Credit Skills Development 	<ul style="list-style-type: none"> Credit Skills Workshop 	<ul style="list-style-type: none"> Credit Lending Toolkit
Topics Offered	<ul style="list-style-type: none"> Overview of bank lending facilities 	<ul style="list-style-type: none"> Loan Structuring 	<ul style="list-style-type: none"> Principles of lending 	<ul style="list-style-type: none"> Overview of bank lending facilities
	<ul style="list-style-type: none"> Quantitative Risk Analysis Qualitative risk Analysis Sensitivity analysis 	<ul style="list-style-type: none"> Industry risk analysis Business Risk analysis Opportunity Assessment 	<ul style="list-style-type: none"> Institutional risk analysis 	<ul style="list-style-type: none"> Qualitative Risk Analysis
		<ul style="list-style-type: none"> Cash flow analysis 	<ul style="list-style-type: none"> Cash reporting and analysis 	
	<ul style="list-style-type: none"> Financial Modelling 	<ul style="list-style-type: none"> Financial Statement Analysis 		<ul style="list-style-type: none"> Financial Modelling
	<ul style="list-style-type: none"> Loan Structuring and Documentation 	<ul style="list-style-type: none"> Projections Borrowing Causes 	<ul style="list-style-type: none"> Collection and Problem loans 	
Typical Duration	3 days	3 days	3 days	1 week

Majority of the modules covered in the basic credit training are common across providers

The training duration is also similar across providers



Common Courses

Agenda

Project Overview

Executive Summary

Introduction to EAC Skills Requirement

International Benchmarks

FSPs

Supplier Landscape

Conclusion and Recommendation

Appendix



Conclusions and Recommendations

1 Overview of Training in EAC

- ~300K training man days are imparted at FSPs around EAC and Zambia
 - 50% of training man days are for entry level clerical and officer level staff
- Training will become more complex and time consuming as EAC financial sector evolves with more products and services
 - More developed markets such as India, Malaysia, UK and Australia devote 3- 6 months on training of new recruits

2 Evidence of Collaboration: International Benchmarks

- India, Malaysia, Australia and UK have demonstrated scalable and sustainable industry wide platforms that facilitate training and skills development
- Key ingredients of a successful collaborative model are –
 - Job assurance/ link to employability
 - Natural scale/ induced scale through regulation
 - Need for greater technical elements and low contextualisation of the training
- Collaborative solutions in emerging markets are focused on entry level officer training as it is the most scalable/ replicable training module which can also be linked directly to employment

3 Training Infrastructure and Issues faced by FSPs in EAC:

- Current training needs are similar across EAC
 - Though most training is similar, Kenya and Tanzania have started providing training for project finance and other advanced topics
 - Kenya and Tanzania have more evolved ecosystem of central training institutes and apex organizations
- Kenya and Tanzania are bigger markets accounting for ~75% of the total staff recruited across EAC
- Entry level officer training is longer and more technical in nature
- FSPs face more issues in the entry level officer training as compared to training at other levels

4 Potential Solutions:

- Three potential solutions for developing industry wide collaboration for entry level officer training exist
 1. Mandating an industry wide certification pre-employment
 2. Mandating participation in a central training/ poaching fund to be used to operate a training provider
 3. Developing an independent private collaborative training program with 1-2 champion banks and a relevant provider
- Industry workshops suggest option 1 or 3 as most feasible; further research needs to be done to detail out the exact configuration of each option and customisation needed for EAC
- FSDA can play an instrumental role in mobilising the industry towards a collaborative solution through creating/ sharing a vision
- Limited regional collaboration may be possible across EAC; logistical problems and language barriers can potentially prevent larger adoption

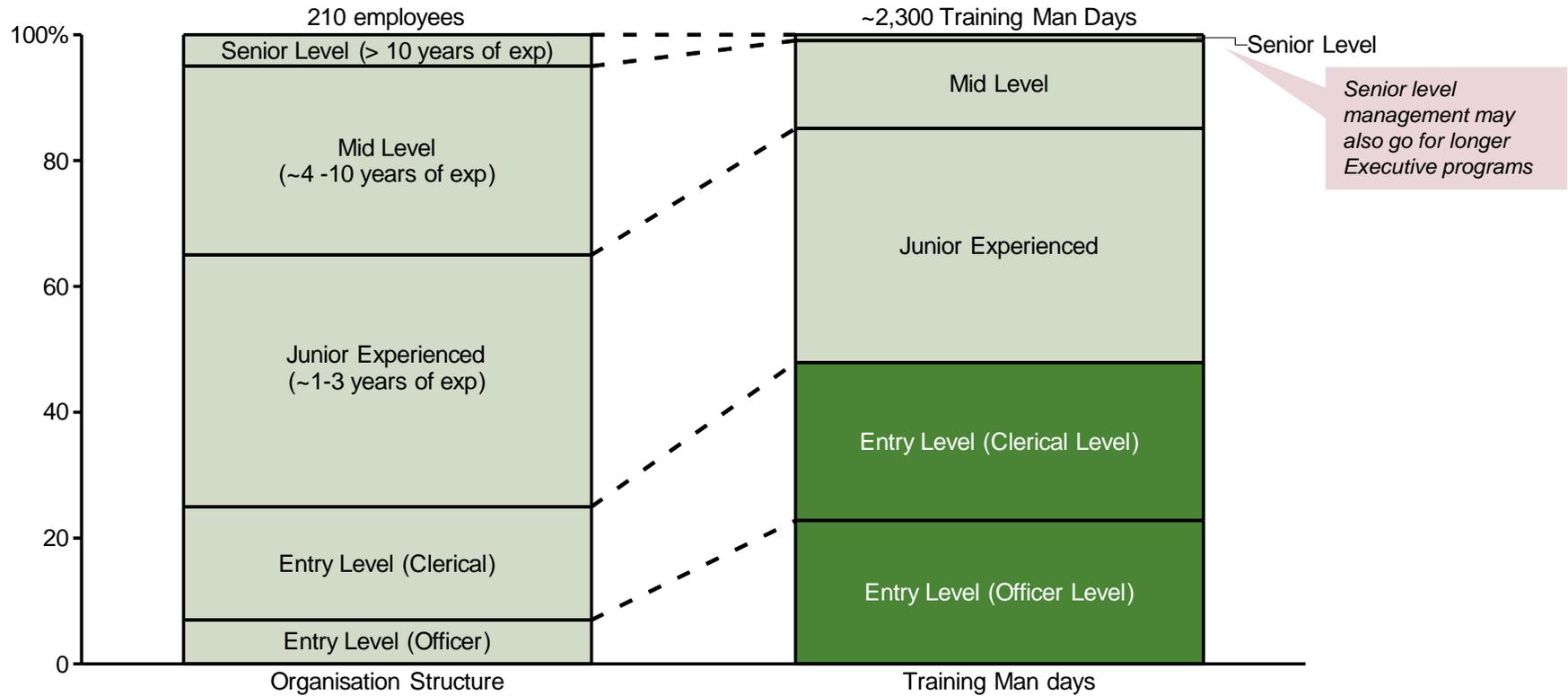
Conclusions and Recommendations

In a typical EAC Bank entry level and junior experienced staff accounts for ~65% of the total staff; Entry level staff accounts for ~50% of the training man days

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Overview of Training in EAC

Organizational Structure and Training Man Days Across a Typical Bank in EAC



EAC Estimate ~300K Training Man Days



Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Conclusions and Recommendations

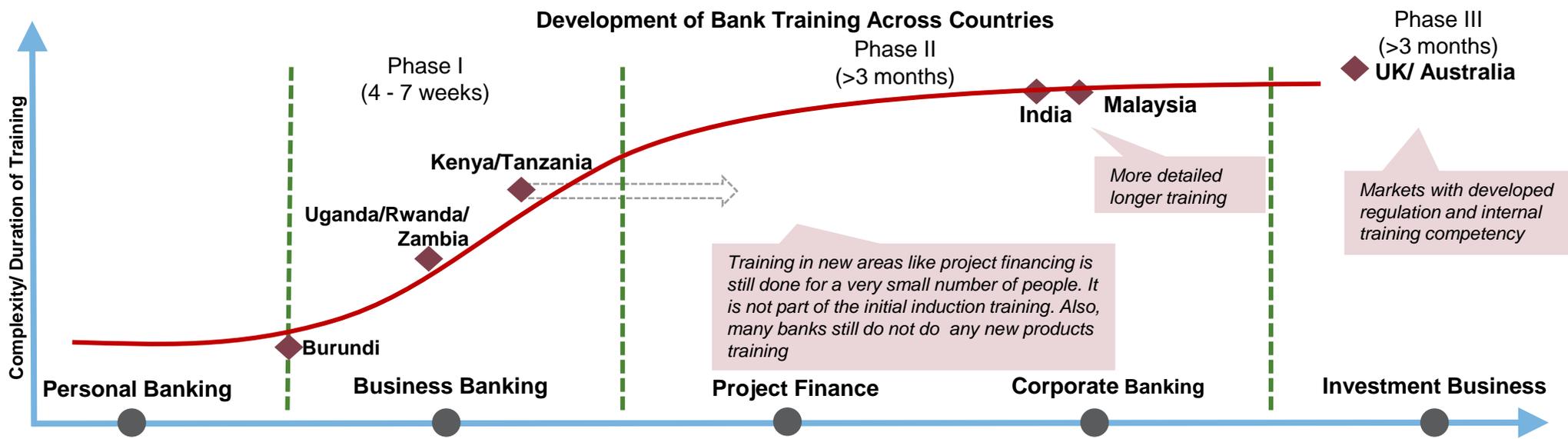
Financial sector in Kenya and Tanzania is more evolved than rest of EAC; The complexity and need for training increases as the sector develops

1 Overview of Training in EAC

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- The evolution begins with personal banking business
- Following are the major product offerings:
 1. Deposit Products
 2. Loan Products
 3. Wealth Management Services
 4. Credit Cards and Debit Cards

- Steady growth of the personal banking brings a larger asset base to expand into business banking
- Following are the major products:
 1. Business Loans
 2. Business current accounts
 3. Forex
 4. Cash management Services

- The emergence of project finance is based on the key relationships nurtured through the business banking division
- Following are the major lending verticals:
 1. SME
 2. Oil and Gas
 3. Real Estate
 4. Heavy Industries
 5. Agriculture

- Based on existing relationship network banks expand into corporate banking to focus on high margin products.
- Following are the major products:
 1. Transaction Banking
 2. Treasury Banking
 3. Investment Banking
 4. Structured Finance

- Growth of the core banking business allows banks to expand into high risk investment business
- Following are the major products:
 1. Private Equity
 2. Mutual Funds
 3. Securities
 4. Private Banking Solutions

New Areas of Project Financing in East Africa



Conclusions and Recommendations

Collaborative solutions that exhibit scale and sustainability exist in emerging and developed economies; These solutions are focused towards entry level officer training

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International
Benchmarks

	Country	Presence of Collaboration	Scale and Sustainability	Provider	Targeted Employee Level	Job Assurance Post Completion	Drivers of Collaboration
Emerging	 Malaysia	✓ (FSTEP)	<ul style="list-style-type: none"> • 6 years • ~250 students per year • ~59 financial institutions 	<ul style="list-style-type: none"> • Institute of Bankers Malaysia (IBBM) 	<ul style="list-style-type: none"> • Entry Level (Officer) 	✓	Regulations through forced funding to drive FSP participation
	 India	✓ (Manipal University – Private Banks)	<ul style="list-style-type: none"> • 5 years • ~4000 students • ~8 banks 	<ul style="list-style-type: none"> • Private University 	<ul style="list-style-type: none"> • Entry Level (Officer) 	✓	Large scale of intake batch leading to high training cost
Developed	 UK	✓ (FCA Certification)	<ul style="list-style-type: none"> • 3 years • Implemented at an industry wide level 	<ul style="list-style-type: none"> • Private independent providers • Banking institutes and societies 	<ul style="list-style-type: none"> • Junior experienced and mid level customer facing roles 	✓	Regulations through government mandate for certification
	 Australia	✓ (RG146, RG206)	<ul style="list-style-type: none"> • > 5 years • Implemented at an industry wide level 	<ul style="list-style-type: none"> • External independent providers 	<ul style="list-style-type: none"> • Entry Level (Officer) 	✓	Regulations through government mandate for certification



Conclusions and Recommendations

Employability, regulation/scale, and training characteristics are the key aspects of a successful collaborative solution for entry level officer training

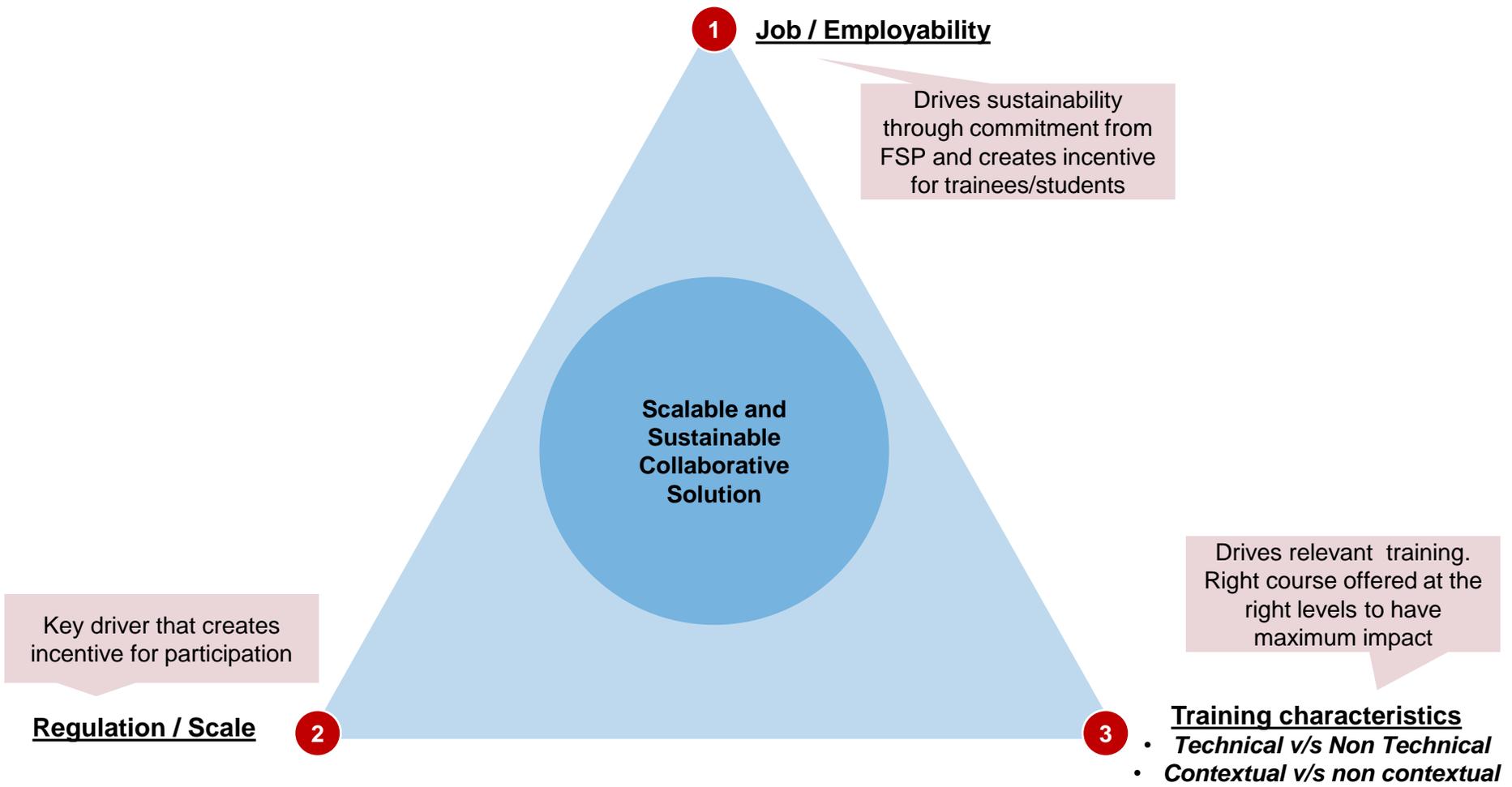
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International Benchmarks



Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Conclusions and Recommendations

Four levels of trainings exist in FSPs across EAC: entry, junior experienced, mid and senior; Entry level is further divided into clerical and officer level

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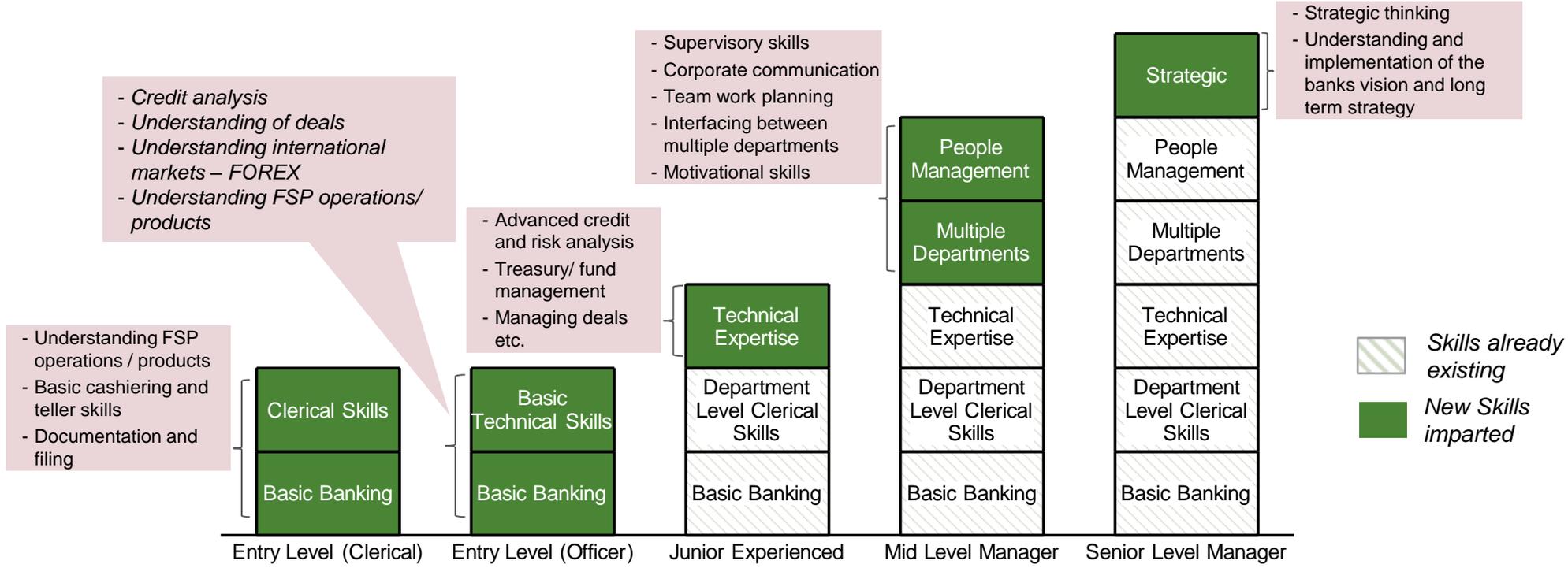
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Training Infrastructure and Issues in EAC

Incremental Skills Imparted at Various Employee Levels



Number of Years of Experience	None	None	~1-3 years	~4 -10 years	more than 10 years
Industry Standard Certification Required Pre - job?	NO	NO	NO	NO	NO

Each employee level has its own set of skills required and corresponding training done



Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Conclusions and Recommendations

Fresh university graduates account for ~75% of all new hires at a typical FSP; Two thirds of the graduates are recruited for clerical jobs such as cashiers and tellers

1

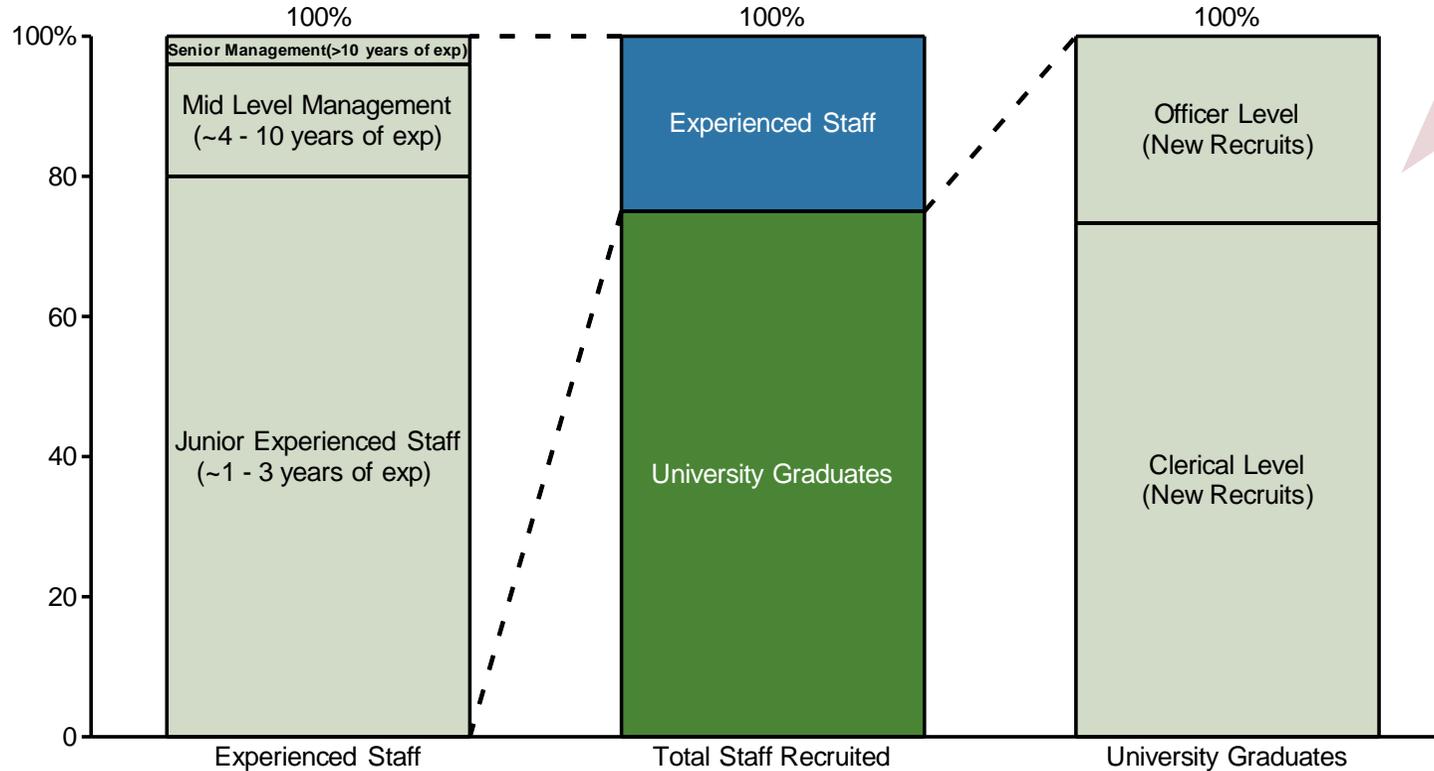
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Training Infrastructure and Issues in EAC

Distribution of All Employees Hired



Banks tend to hire top students from higher ranking universities for the officer level positions, whereas the recruitment from the lower ranked universities is focused on the clerical level position

All FSPs experience a lack of banking skills in the university graduates

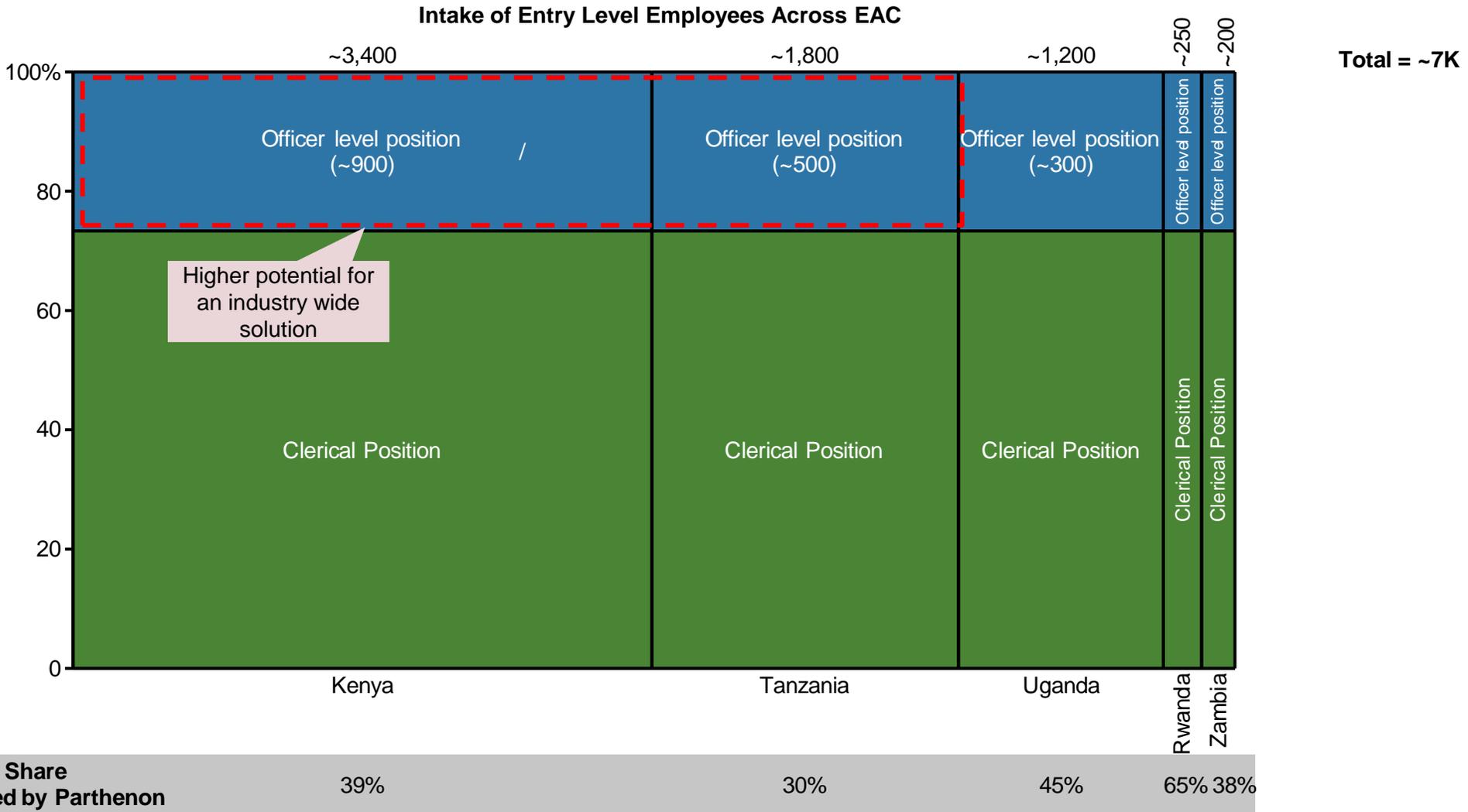


Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Conclusions and Recommendations

Total intake for the entry level positions across banks in EAC is estimated to be ~7K; Kenya and Tanzania make up for ~75% of the this intake

- 1
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 - 3
 - 4
- Training Infrastructure and Issues in EAC



Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Conclusions and Recommendations

Training in Kenya and Tanzania is evolving to include new product training as well; They also have a more evolved ecosystem of associations and apex organizations and tend to use external providers

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Training Infrastructure
and Issues in EAC

		Kenya and Tanzania	Uganda, Rwanda and Zambia
Areas of Training Provided		<ol style="list-style-type: none"> Generic banking/ financial skills Technical Skills Training on new products/ services 	<ol style="list-style-type: none"> Generic banking/ financial skills Technical Skills No new product training
Type of Provider Used		Mix of internal and external	Mostly internal
Central Providers		Well evolved central providers available, like: <ol style="list-style-type: none"> Kenya/ Tanzania Institute of Bankers Bank of Tanzania Training Institute, and Kenya School of Monetary Studies 	<ul style="list-style-type: none"> Only central provider is the Institute of Banking and Financial Services, with fewer short term skills training courses offerings No central provider* in Rwanda
Training Duration	Entry Level	<u>Clerical Staff:</u> FSPs across EAC do a 1-3 week basic training for clerical staff <u>Officer level staff:</u> FSPs across EAC do a 4-7 week training for the officer level staff	
	Mid Level	FSPs across EAC conduct short 2-5 day leadership training courses	

Training in new areas like project financing is still done for a very small number of people. It is not part of the initial induction training. Also, many banks still do not do any new products training

* Central provider is one that has representation from all Commercial Banks / Bankers Association

Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Conclusions and Recommendations

Entry level officer training is the longest duration, covers more technical aspects and has ~50% class room component; Clerical training is shorter and simpler while training for more experienced staff is more hands on and contextual

1 2 3 4
 Training Infrastructure and Issues in EAC

	Entry Level (Banks)		C		D	E
	A Clerical	B Officer	Entry Level (MFIs)	Junior Experienced	Mid Level Manager (All FSPs)	Senior Level Manager (All FSPs)
Type of training	<ul style="list-style-type: none"> Basic Process Mechanical 	<ul style="list-style-type: none"> Technical Processes Product 	<ul style="list-style-type: none"> Process related/ on the job 	<ul style="list-style-type: none"> Technical (refresher courses) 	<ul style="list-style-type: none"> Leadership/ people management related 	<ul style="list-style-type: none"> Strategic
Modules/ topics Covered in Training	<ul style="list-style-type: none"> Introduction to the bank Basic banking foundation Cashiering / teller skills (how to count cash, how to talk to customers, etc.) Basic financial documents etc. 	<ul style="list-style-type: none"> Introduction to the bank Basic banking foundation Technical skills training (e.g. credit analysis, KYC norms, treasury management etc.) 	<ul style="list-style-type: none"> How to interact with customers Acquisition of low value customers Risk assessment of unstructured businesses Presentation skills 	Mainly consists of technical refresher trainings	<ul style="list-style-type: none"> Leadership training Self management Corporate governance Performance management Corporate communication "7 – habits of highly effective people" 	<i>Mostly attend conferences and seminars</i>
Training Duration	• 1 – 3 weeks	• 4 – 7 weeks	• 2 – 5 weeks	• Short 2 – 5 day courses	• Short 2 – 5 day courses	N/A
On-the-job Component	• ~1 week on the job training	• ~2 – 3 weeks on the job training	• Very high on the job component	• None (only classroom training)	• Most learning happens on the job with training being restricted mostly to 2-5 days	No classroom training

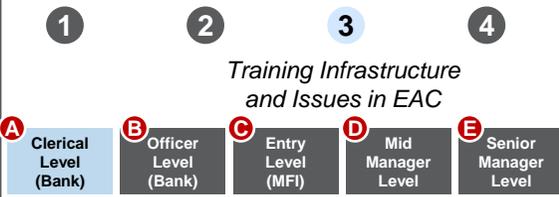
Some banks like KCB and CRDB have a year long on the job component, including rotation among all departments

Mid-manager role in an MFI is simpler as compared to banks

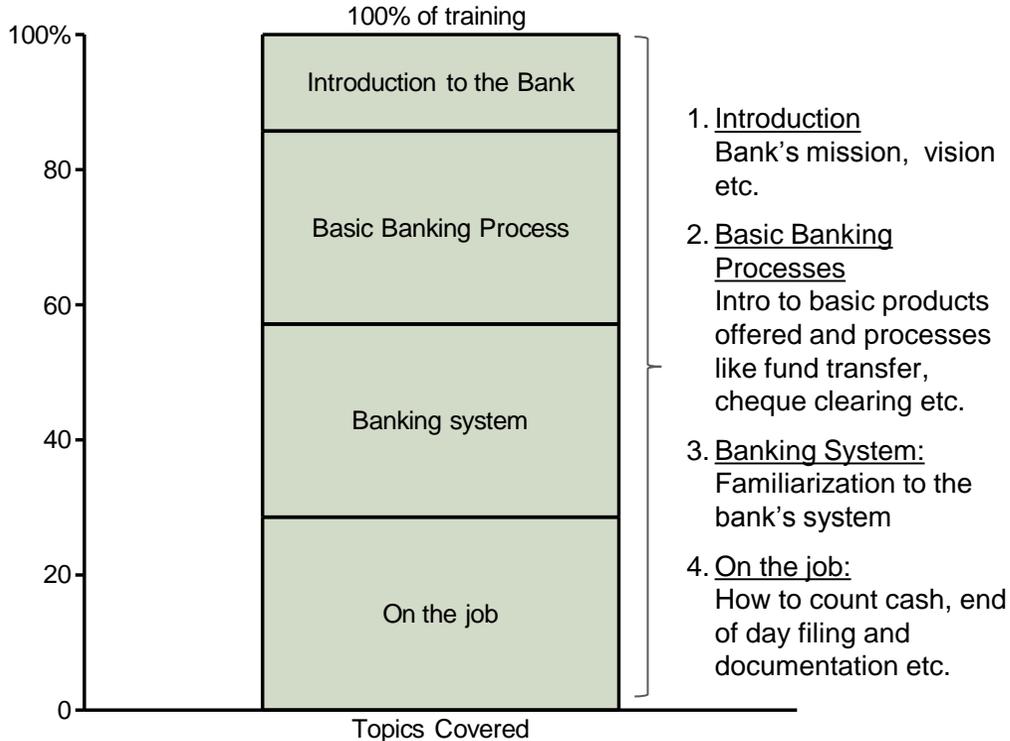


Conclusions and Recommendations

Training at clerical levels is short, simple and easily managed by the FSPs



Q: What are the topics covered in the clerical training?



1. Introduction
Bank's mission, vision etc.
2. Basic Banking Processes
Intro to basic products offered and processes like fund transfer, cheque clearing etc.
3. Banking System:
Familiarization to the bank's system
4. On the job:
How to count cash, end of day filing and documentation etc.

"The skills gap at the clerical entry level is not really a problem because what we are teaching them is quite basic. We can literally pick up any educated person and teach them this job"

- **Head of HR, Barclays Bank (Uganda)**

"...a simple 2 week training is enough to tell them about their job. The training is very basic and hence we simply do it within the bank"

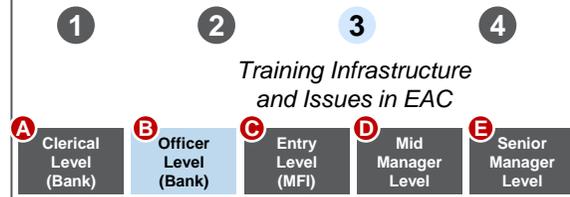
- **Head of HR, Bank of Kigali (Rwanda)**

"The clerical hires are taken through a 2-3 week basic induction training and put on the job. They don't require any additional technical training"

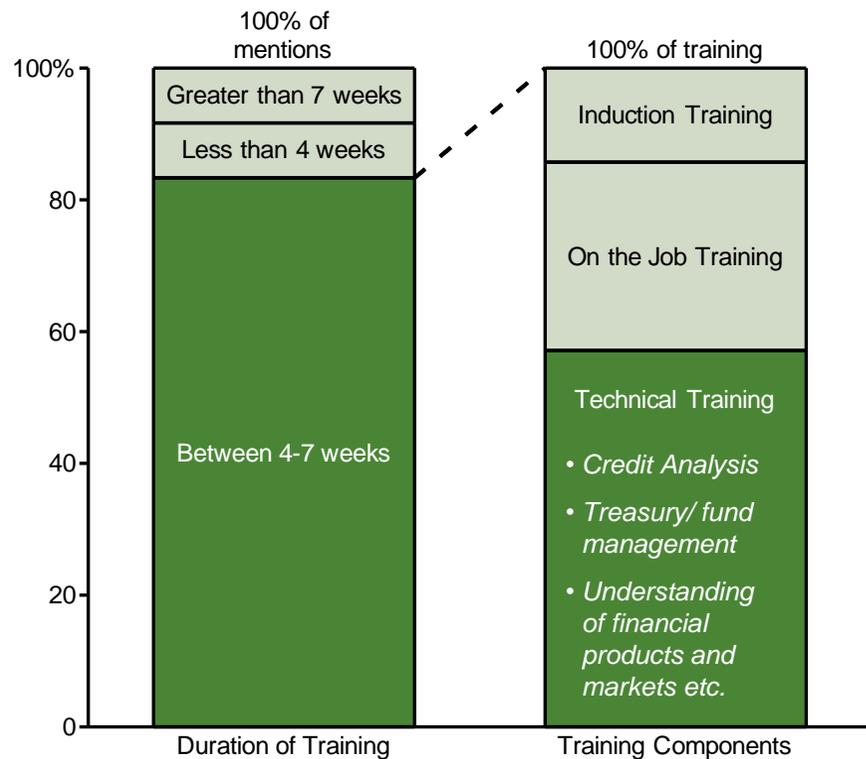
- **Assistant Manager, Equity Bank (Kenya)**

Conclusions and Recommendations

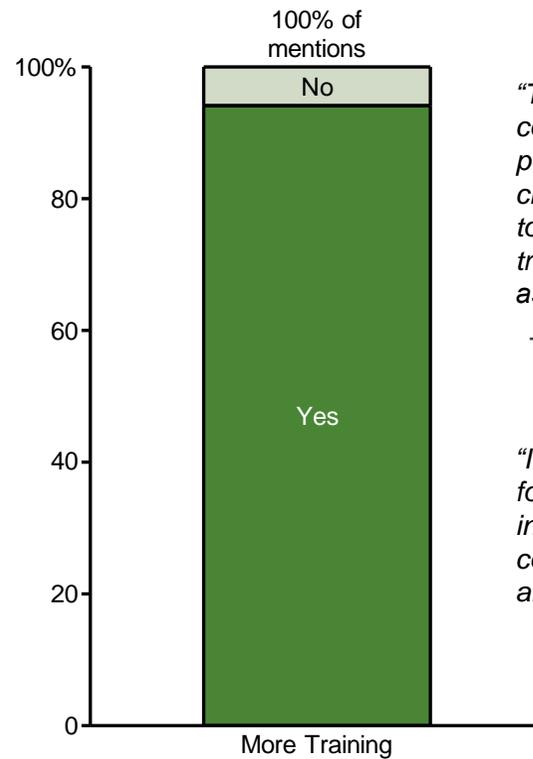
Entry level officer training is longer than clerical training and consists of a significant technical component; FSPs would ideally like to do more training



Q: What is the duration of your officer level training?
 Q: What are the components of the training?



Q: Would you ideally like to do more training?



“There is always pressure on us to complete the training as soon as possible. Hence, it is always a challenge to pick and choose topics for the training. Ideally, the training should be much longer so as to cover all topics”

- **Director, Credit Management, Co – op Bank (Kenya)**

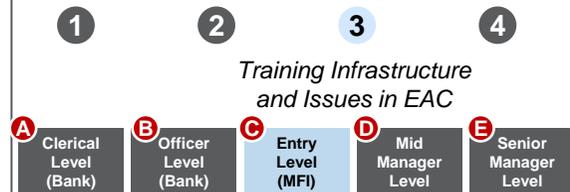
“I would like to train the employees for 3-4 months and then get them into the bank. However, due to time constraints we have to complete it all in 4-5 weeks”

- **HR Director, CRDB Bank, (Tanzania)**



Conclusions and Recommendations

Entry level training covers very basic topics like organization overview and basic product understanding; most of the learning happens on the job as individual customer interaction is critical



	MFI 1	MFI 2	MFI 3
Length of Training	3 days (Induction Training)	5 weeks (Induction Training)	2 weeks (Induction Training)
Topics Covered	<p><u>Day 1:</u></p> <ul style="list-style-type: none"> - Over view of the MFI - Mission and vision by the CEO <p><u>Day 2:</u></p> <ul style="list-style-type: none"> - Department overview - Roles of a loan officer (daily responsibilities) <p><u>Day 3:</u></p> <ul style="list-style-type: none"> - Basic product knowledge - Regulations and compliance <p>Remaining training is on the job</p>	<p><u>1st week:</u></p> <ul style="list-style-type: none"> - Introduction to the MFI (values, products and services, firm challenges etc.) <p><u>2nd week:</u></p> <ul style="list-style-type: none"> - Understanding all documents involved - Their day-to-day role as a credit officer - Challenges of their role <p><u>3rd and 4th week:</u></p> <ul style="list-style-type: none"> - Attachment to a current credit officer <p><u>5th week:</u></p> <ul style="list-style-type: none"> - Training on and familiarity with their banking software (<i>Bankers Realm</i>) 	<p><u>1st week:</u></p> <ul style="list-style-type: none"> - MFI understanding - basics of micro finance - role of each department - Product knowledge - Region specific traits - Fundamentals of loan lending and recovery process - Brief on daily responsibilities of a loan officer <p><u>2nd week:</u></p> <p>On the job attachment</p>

Only 3 day training as everything else is taught on the job

“A typical role of a loan officer is to approach individuals or communities and sell our innovative credit facilities. This cannot be taught in classroom and thus we have a very short training program”

- **Head of Operations, SMEP (Kenya)**

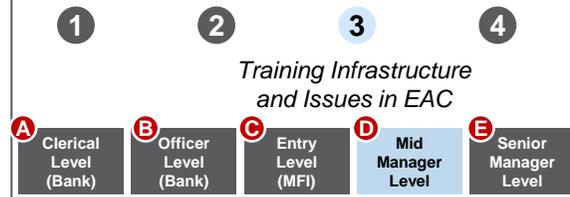
“We feel that customer acquisition can be taught only on the job and by seeing others, and thus we have an on the job approach which allows new recruits to assist loan officers and learn from them”

- **Executive Director, Al Halaal Bank (Rwanda)**

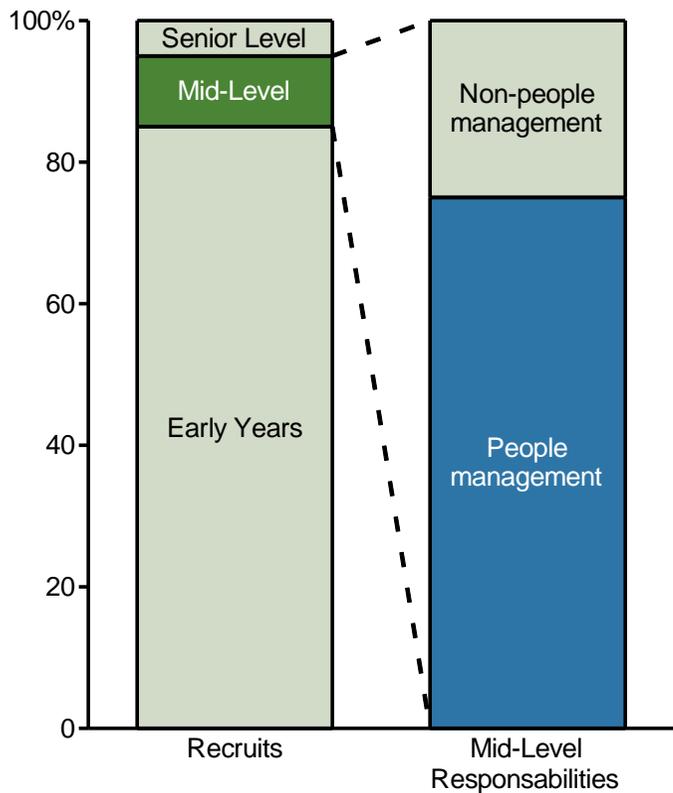


Conclusions and Recommendations

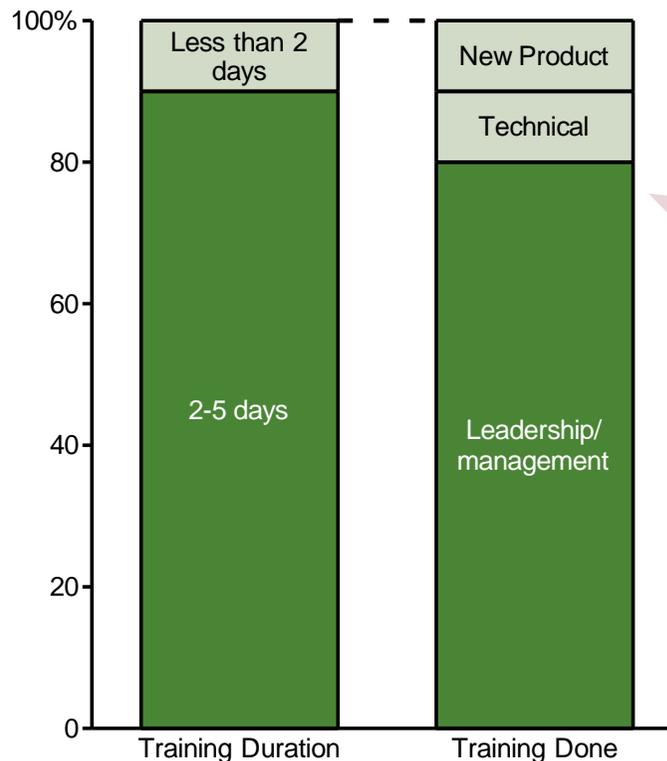
Mid level manager training is mostly related to supervisory skills; FSPs use short duration courses with significant on the job learning within the organization (contextual)



Employee Recruited at The Various Levels And Corresponding Responsibilities in banks Across EAC



Training Duration for Mid Level Managers Training in banks Across EAC

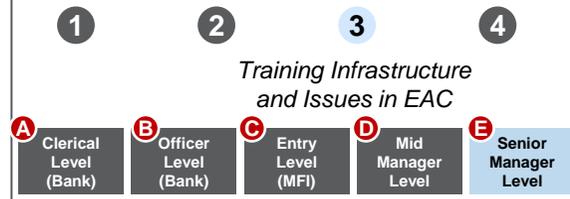


Leadership/management skills are learnt primarily on the job and are contextualized to the bank



Conclusions and Recommendations

High potential mid-level managers are prepared for senior roles through department rotations and mentoring; Class room based skills training is a small component and achieved through short courses



Training to high potential mid-managers

	Key Skill Required	Key Training Component	Potential for collaboration
Qualifications top up	<ul style="list-style-type: none"> Management toolkit Business perspective Analysis / Decision making 	<ul style="list-style-type: none"> Executive MBA Other post graduation 	<p>Collaboration already exists</p>
Skills top up	<ul style="list-style-type: none"> Leadership Strategic thinking People management Corporate Communication 	<ul style="list-style-type: none"> Personal coaching Short 3-4 day training Long training with short classroom 	
Department Rotations	<ul style="list-style-type: none"> Interfaces/ synergies between departments Broader understanding of business 	<ul style="list-style-type: none"> Rotation in multiple departments 	
Attachment/ Mentoring	<ul style="list-style-type: none"> Bank strategy and goals Bank networks Understanding change in roles and responsibilities 	<ul style="list-style-type: none"> Rotation in multiple departments Rotation to other country branches 	

Very short trainings as high opportunity cost involved

Contextualised to the bank

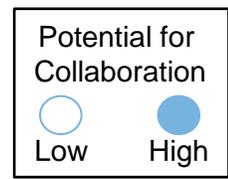
“We have a “Pan Africa Leadership Program” where every year in 2-3 people are identified from every country . They are then taken through a 1 year leadership training where they meet for a few days every quarter. These people are then mostly promoted to senior positions”

- **HR Manager, Barclays Bank (Zambia)**

“A personalised profiling is done for the identified mid – manager. Based on that, we can wither send him for an accelerated management program or second him to another country office or let him do job shadowing. The process varies for each person based on the gaps identified for them”

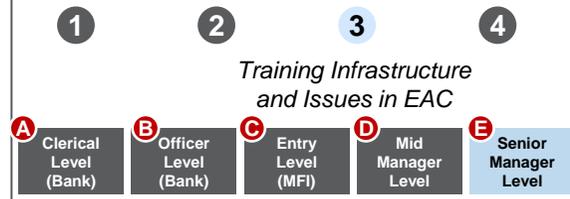
- **Head of HR, Commercial Bank of Africa (Kenya)**

Combination of components used is highly individualized based on needs and performance of identified mid-managers

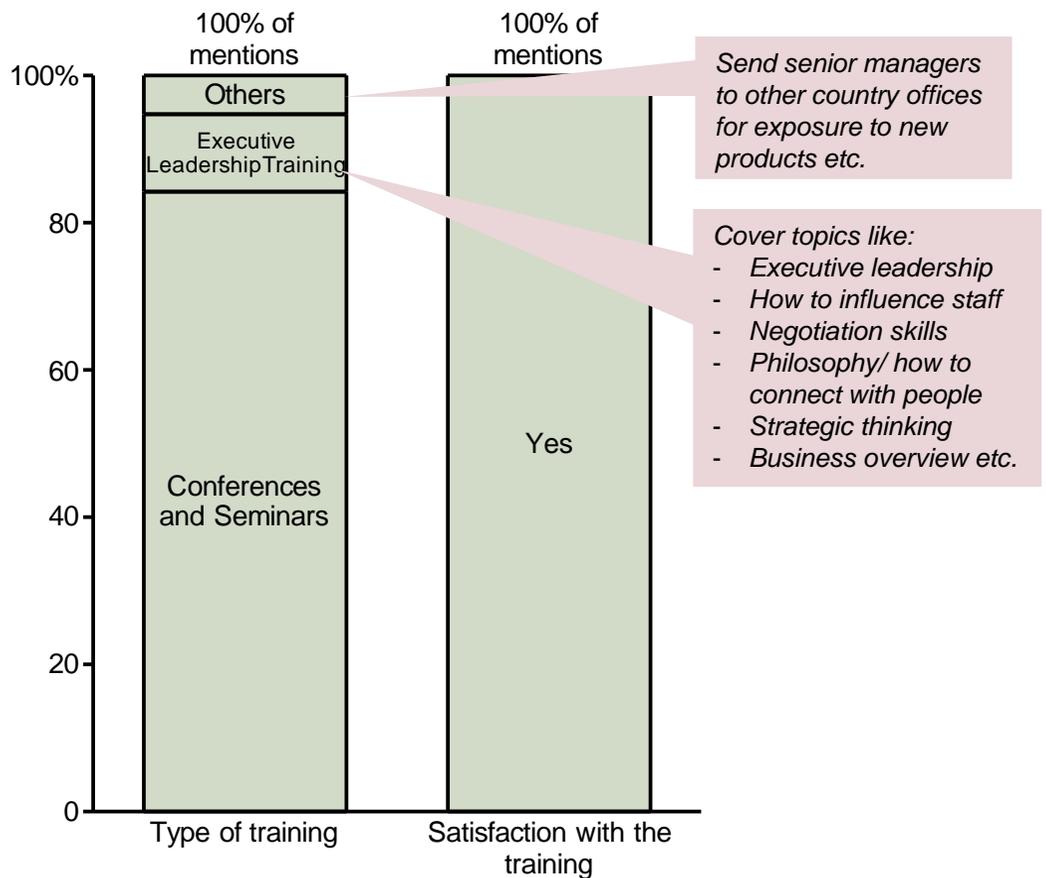


Conclusions and Recommendations

Existing senior managers do not undergo any significant training; Attending conferences and seminars are a way of connecting with other industry participants and learning about new developments



Q: What trainings do you do for existing senior managers?
 Q: Are you satisfied with the training?



“We mostly send them for conferences and seminars and so that they can get exposure to other executives and to new ideas. Sometimes we also send them for executive leadership trainings to out group office in Kenya”

- **Chief Operating Officer, Kenya Commercial Bank (Rwanda)**

“.....feel that they don’t really have time for doing any training and neither do they need any training per se”

- **Manager, Human Resources, Diamond Trust Bank (Uganda)**

“Senior managers would typically go for seminars and conferences like “New Trends in the Banking Sector”. The main purpose at that stage is networking”

- **HR Manager, Stanbic Bank (Zambia)**



Conclusions and Recommendations

FSPs face significantly more issues with training for the entry level officer recruits

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Training Infrastructure and Issues in EAC

	Clerical Level	Officer Level	Mid Level	Senior Level
Reasons for Skill Gaps	Enough qualified people in the market who lack job specific skills/ Insufficiency of current providers		Focus on only technical skills during early years/ lack of experience in people management	Lack of sufficient people with required width of exposure
Skills Lacking	<ul style="list-style-type: none"> • Basic financial knowledge • Practical banking skills 	<ul style="list-style-type: none"> • Basic financial skills • Technical skills • Detailed product skills 	<ul style="list-style-type: none"> • Supervisory skills • Self management • Leadership 	<ul style="list-style-type: none"> • Strategic skills • Multi-department experience • Cross industry experience
Issues With Training	<ol style="list-style-type: none"> 1. Time Constraint 2. Cost 	<ol style="list-style-type: none"> 1. Time 2. Cost 3. Course Content Misaligned 4. Lack of good quality provider 5. Focus/ lack of strategic HR 	<ol style="list-style-type: none"> 1. Time Constraint 2. Cost 	N/A

Officer level is the key area of focus because FSPs face broader challenges, beyond cost and time. And unlike mid and senior level the training is more technical and less contextual for officer level positions



Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Conclusions and Recommendations

Currently in EAC there is no financial skills training course that gives job assurance; There is no regulation that mandates undergoing training for any employee level

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Training Infrastructure and Issues in EAC

	Description	A Entry Level (Clerical)	B Entry Level (Officer)	C Mid Level	D Senior Level
State of FSPs in EAC					
1 Job Assurance	<ul style="list-style-type: none"> Is there guarantee of a job placement post course completion? 	✗	✗	✗	✗
2A Regulations	<ul style="list-style-type: none"> Is there a government mandated requirement for certification in addition to university qualification before being able to work formally? 	✗	✗	✗	✗
2B Scale:	<ul style="list-style-type: none"> <i>Economies of Scale</i> <i>Opportunity Cost</i> 				
	<ul style="list-style-type: none"> Is the scale of training large and requires significant resources to be deployed by the FSPs? Is the trainer/trainee opportunity cost (time spent by current management) in training large? 	✓	✓	✗	✗
3 Training Characteristics:	<ul style="list-style-type: none"> Is the training technical in nature? Is the training contextual in nature? Is there a need to customize the training for individual FSPs? 	✗	✓	✗	✗
		<ul style="list-style-type: none"> Non – technical Partially contextual 	<ul style="list-style-type: none"> Technical Partially contextual 	<ul style="list-style-type: none"> Non technical – People mgmt. Highly contextual 	<ul style="list-style-type: none"> Non technical - Strategic skills Highly contextual



Potential exists for collaboration at entry level officer due to large scale and technical nature of training



Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16)

Conclusions and Recommendations

Three potential options can be evaluated to develop an industry wide collaborative solution for training that can satisfy the key requirements

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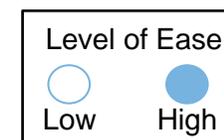
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Potential
Solutions

	Option 1	Option 2	Option 3
	Mandate an Industry-Wide Certification (E.g.: Australia)	Establish Regulation (Training fund) for Participation (E.g.: Malaysia)	Establish a Collaborative Independent Training Program (E.g.: India)
Role of FSDA	Lobby with the government to define a minimum requirement for all entry level jobs	Collaborate with central bank to create / use mandatory training / skills fund	Develop solution with 1 or 2 <u>champion banks</u> to drive acceptance across industry
Ease of Implementation			
Key Issue	<ul style="list-style-type: none"> Long process of convincing government and key stakeholders and establishing legislation 	<ul style="list-style-type: none"> Challenging to convince participation in a fund Long process to establish fund 	<ul style="list-style-type: none"> Need to convince sponsor / champion bank to participate in developing the solution Potential scale
Potential Timeline	<ul style="list-style-type: none"> Long term 	<ul style="list-style-type: none"> Long term 	<ul style="list-style-type: none"> Short/ medium term



Conclusions and Recommendations

Mandating an industry wide certification would require an additional orientation to be done by banks, whereas an independent training program would make the candidates job ready directly after the completion of training program

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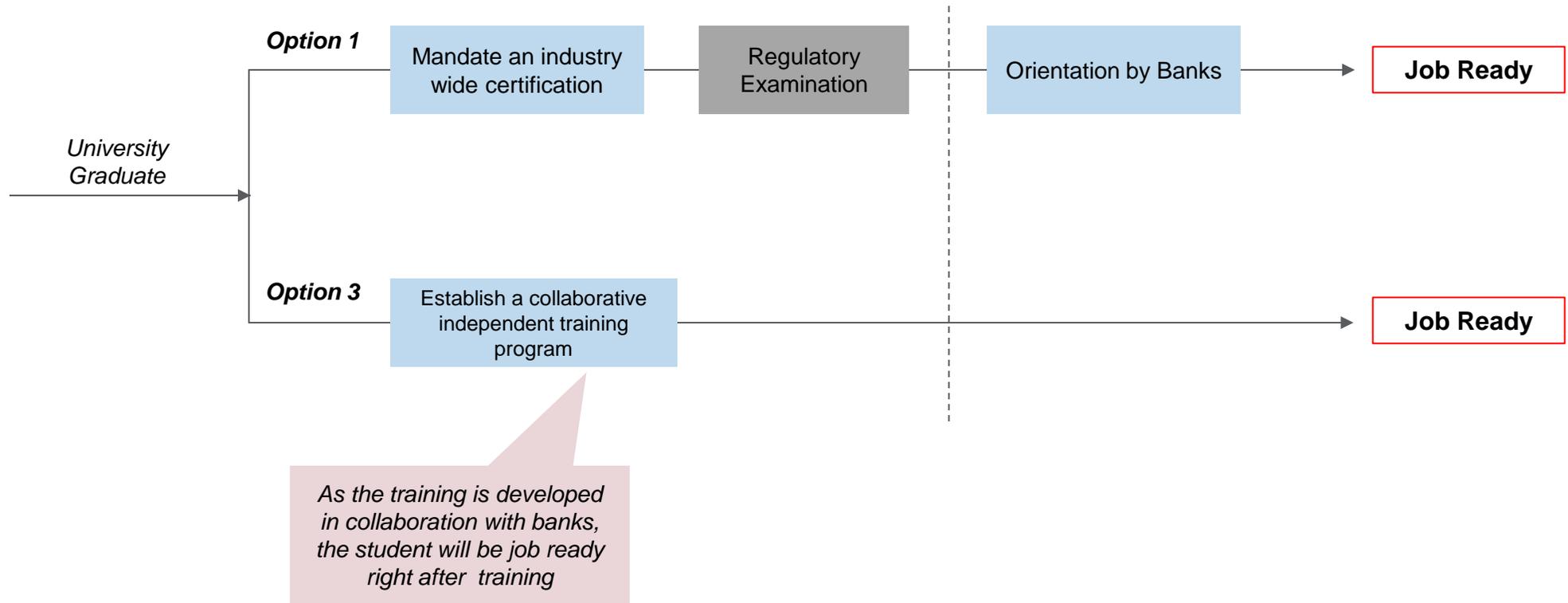
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Potential Solutions

Progression Path for a University Graduate, Across Different Collaborative Options



Conclusions and Recommendations

Based on feedback from FSP workshop, both option 1 and 3 could be potential solutions for Kenya

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Potential Solutions

	Option 1	Option 2	Option 3
	Mandate an Industry-Wide Certification (E.g.: Australia)	Establish Regulation (Training fund) for Participation (E.g.: Malaysia)	Establish a Collaborative Independent Training Program (E.g.: India)
Pros	<ul style="list-style-type: none"> 1. Standardized employee level leading to uniform Quality of Service 2. Reduction in poaching 3. More definitive and formalized due to the legislative nature 4. Ensured participation from all banks 5. Cost shared by all banks; economies of scale 	<ul style="list-style-type: none"> 1. Additional money for expanding operations and strengthening banking institutions 2. More definitive, as it is mandated and led by a regulator 	<ul style="list-style-type: none"> 1. Market driven solution, hence more focused and relevant 2. Job ready candidates (via internships, strong bank involvement in designing training etc.)
Cons	<ul style="list-style-type: none"> 1. High cost of implementation 2. Long term 3. Needs a good quality central accreditation body 4. All banks may/ may not like the mandation around employee intake 	<ul style="list-style-type: none"> 1. A non market system that may become complacent or be inefficient 2. Requires a credible central coordinating and implementing body 3. May stifle innovation 4. Intrusive for the banks 	<ul style="list-style-type: none"> 1. Relies on a champion bank; no mandatory participation 2. Smaller banks/ MFIs may not be able to participate 3. Employee bon may appear intrusive and not appealing
Adaptability to Kenya or Tanzania or EAC (Best fit)	<ul style="list-style-type: none"> 1. Develop a standard certification 2. Establish a regulatory framework to push for accrediting this certification; lobbying with the government can be dine using CBK and KBA 3. Use the finance bill 	<ul style="list-style-type: none"> 1. Establish/ identify a strong central regulatory body 2. Regulatory input in capacity building 	<ul style="list-style-type: none"> 1. Willingness to collaborate may not be there among top banks 2. Opportunities to collaborate with Universities like Strathmore business school – e.g. Kenya power partnered with UoN
	 Pursue for the long term		 Pursue short term to get program developed with one provider



Examination, provider accreditation and legislation are the key components of establishing a mandated industry wide certification (option1)

Certification Examination

- A central certification examination conducted for all potential candidates for the entry level officer position
- Eligibility to work in formal capacity dependent upon successful completion of the certificate
- Examination content set by expert panel

Training Accreditation

- A training accreditation body, formed under a central regulator, should lay down details of the training required for this examination, i.e. content to be taught, practical nature of training, duration and quality of infrastructure
- Institutes offering training services need to be accredited as a provider by the accreditation body

Legislation

- Appropriate legislation established to ensure that:
 1. Every entry level officer recruit by a bank has cleared this examination
 2. The relevant central body is given the legal status of an accrediting body

Outstanding Questions

1. Who should the panel comprise of?
2. Which central organization should coordinate/ facilitate functioning of this panel?
3. How frequently should the content be revised?
4. What should be the content of the certification examination?
5. Which organization should conduct the examination?

1. Under whom should this training accreditation body be formed?
2. What should be the accreditation guidelines?
3. What should be the frequency of renewal of accreditation guidelines?
4. Who should the training accreditation body comprise of?

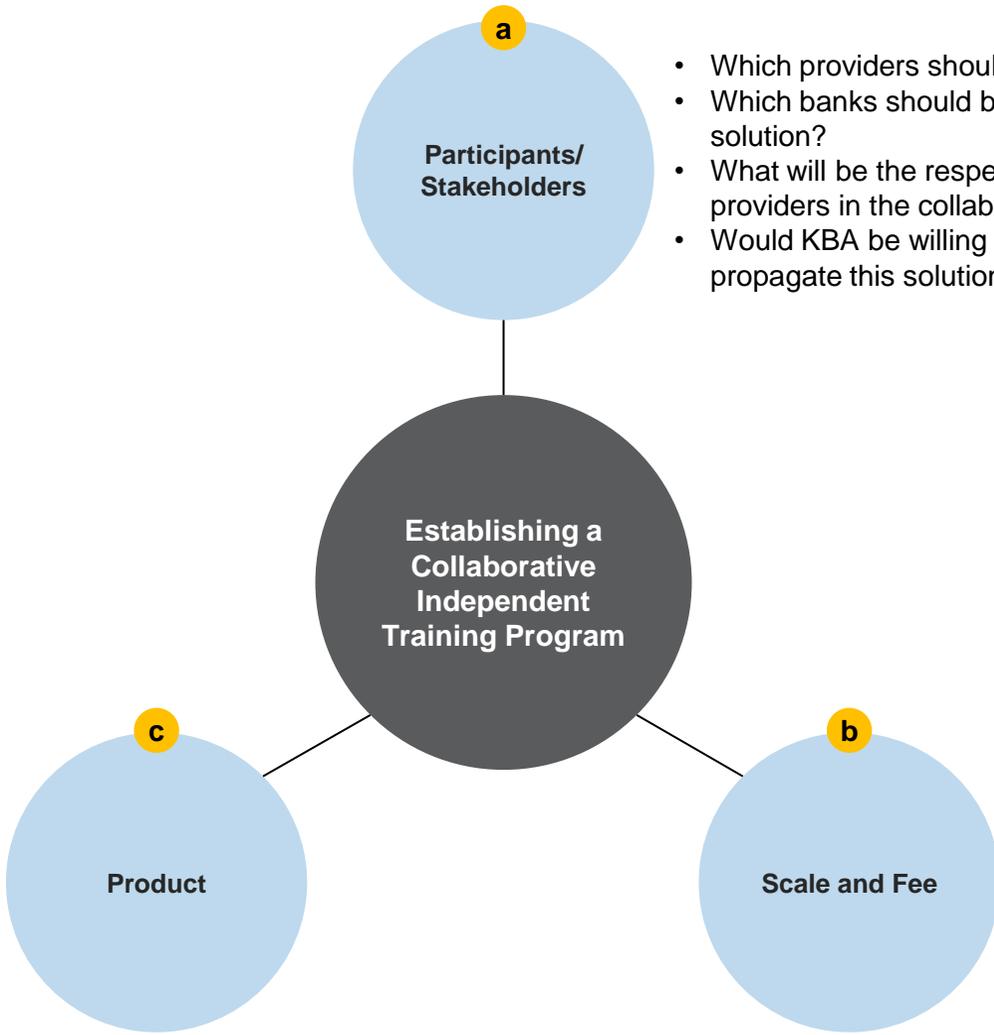
1. Which organization is best suited to drive legislation?
2. What should be the key aspects of the legislation?
3. What should be the support process for creation of this legislation?
4. Expected timelines?

Conclusions and Recommendations

Option 3 has been detailed based on the following three characteristics

1 2 3 4
Potential Solutions

Option 1 Option 3



- Which providers should be used?
- Which banks should be used to champion the solution?
- What will be the respective functions of banks and providers in the collaborative model?
- Would KBA be willing to endorse and help propagate this solution to other banks?

- What is an acceptable duration of the training?
- What breadth and depth of coverage is required in each topic
- Who should be teaching the course?

- What scale of recruits will banks be able to provide?
- What level of fees are banks willing to pay?
- What are the costs of development of the program?
- Can the solution be economically viable for the provider on a sustained basis?



Conclusions and Recommendations

Participation of banks and providers is imperative towards setting up a collaborative independent training program

1 2 3 4
Potential Solutions

Option 1 Option 3 a Participants/ Stakeholders

1 Provider

Potential providers could include:

- Independent Training Providers**

1. Have past experience in bank training
 2. Have flexibility to revise content
 3. High academic credibility of the providers
- E.g. Euromoney, Omega Performance, Microsave etc.

- Universities**

1. Have high academic credibility
- E.g. Strathmore, USIU, KCA University etc.

- Bank Supported Institutes**

1. Have more credibility, but they need to develop their authority as a relevant training provider
- Their use will also depend on their level of establishment in that country*
- E.g. Kenya School of Monetary Studies (KSMS)

2 Banks

- Main functions of the bank will include:
 1. Investing resources to
 - a. Help design the training, design the training content etc.
 - b. Teach some parts of the training
 - c. Help update course content on a regular basis
 2. Invest in creating a simulation environment/ sandbox with the provider to make the training more practical
 3. Participate in helping the provider carry out the recruitment process

3 Central Organizations

- Potential role for KBA to endorse the solution and help ease the process of adoption by other banks

Outstanding Questions

1. What type of provider should be used?
2. What functions will the provider fulfil as part of the collaboration?

1. Which banks should be approached to function as the champion bank?
2. What functions will the bank fulfil as part of the collaboration?
3. What level of involvement will the bank have at various steps of the training program?

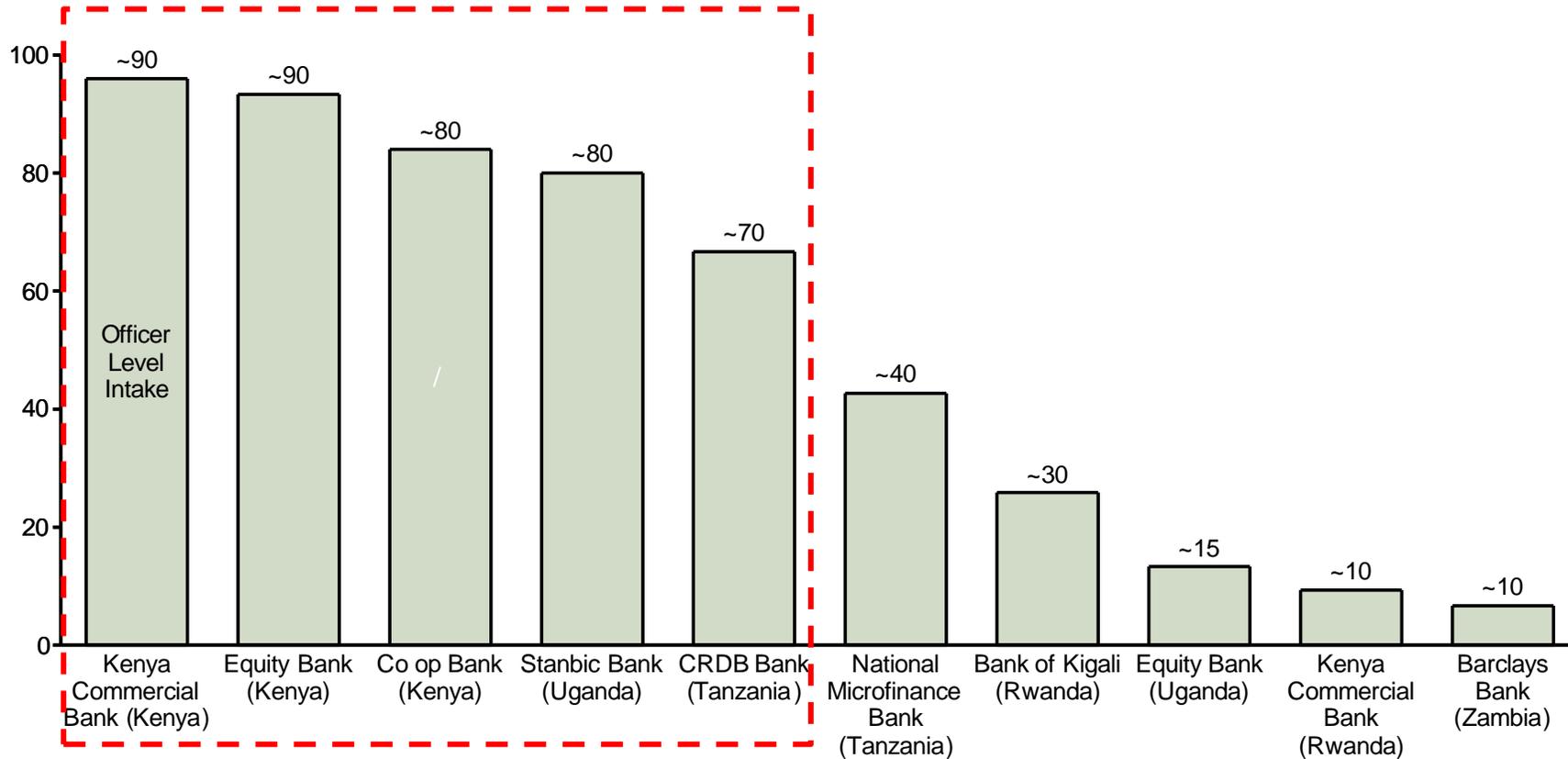
1. Would KBA be willing to endorse this solution and help propagate it to other banks?



Conclusions and Recommendations

Entry level officer intakes at large banks are ~80 new recruits per year

Total Annual Entry Level Officer Intake in Large Banks Across EAC



Outstanding Questions

1. Which bank should be used as the champion bank?
2. What annual scale of recruits can this bank guarantee (doing all of their recruitment versus a part of it through this program)?
3. How are the number of recruits planned to grow in the next 5 years?

At an intake of ~80 students and duration of ~12 weeks, the course would be economically viable if priced at ~Ksh. 125K; Fee levels would imply a course payback of ~2 months

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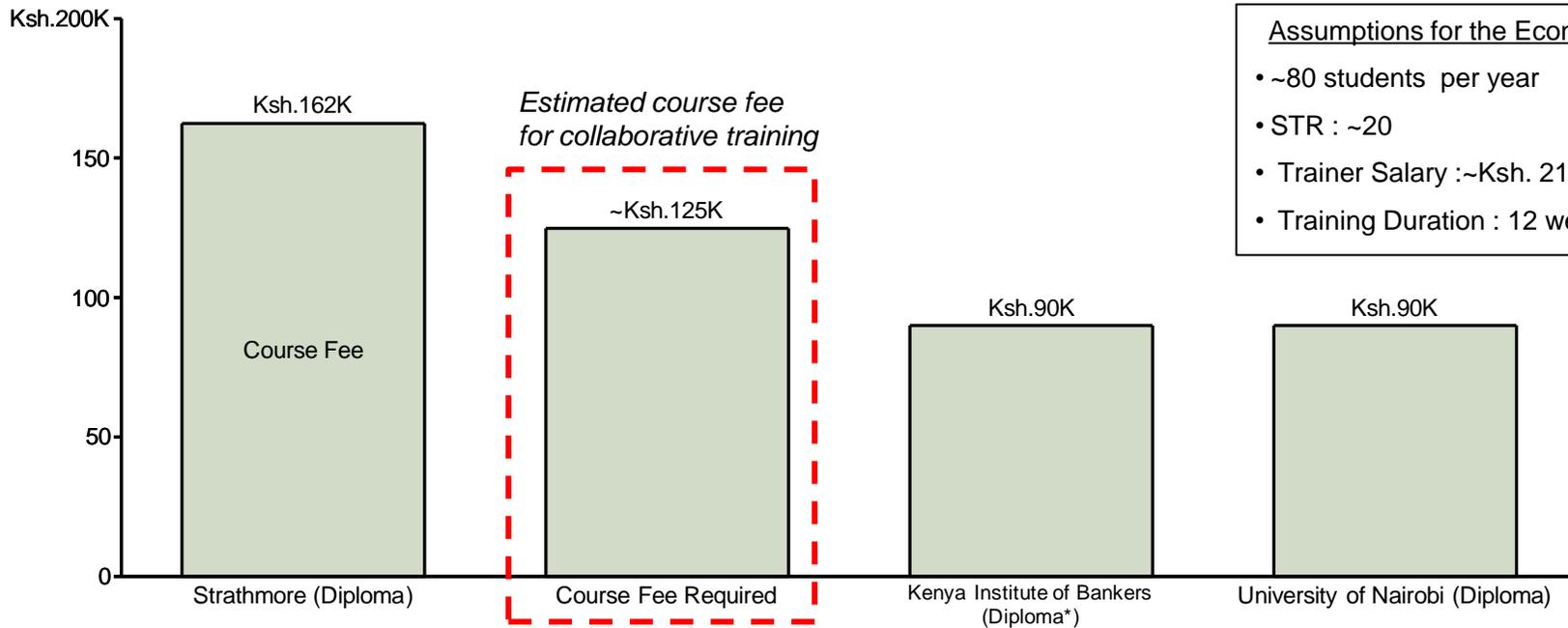
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Potential Solutions

b Scale and fee

Course Fee for Diploma in Business By Different Providers



Course Duration	1 year	12 weeks	12 weeks (with 1-2 classes a week)	1 year
Pay back** (months)	N/A	2	1.5	N/A

Outstanding Questions

1. What are the key operating parameters for the providers, i.e.
 - a. What type of trainers should be used, full time vs. part time?
 - b. What should be the class size/ student teacher ratio?
 - c. What should be the salary of the trainers?
 - d. What should be the fee of this training program to make it economically viable and acceptable to banks?



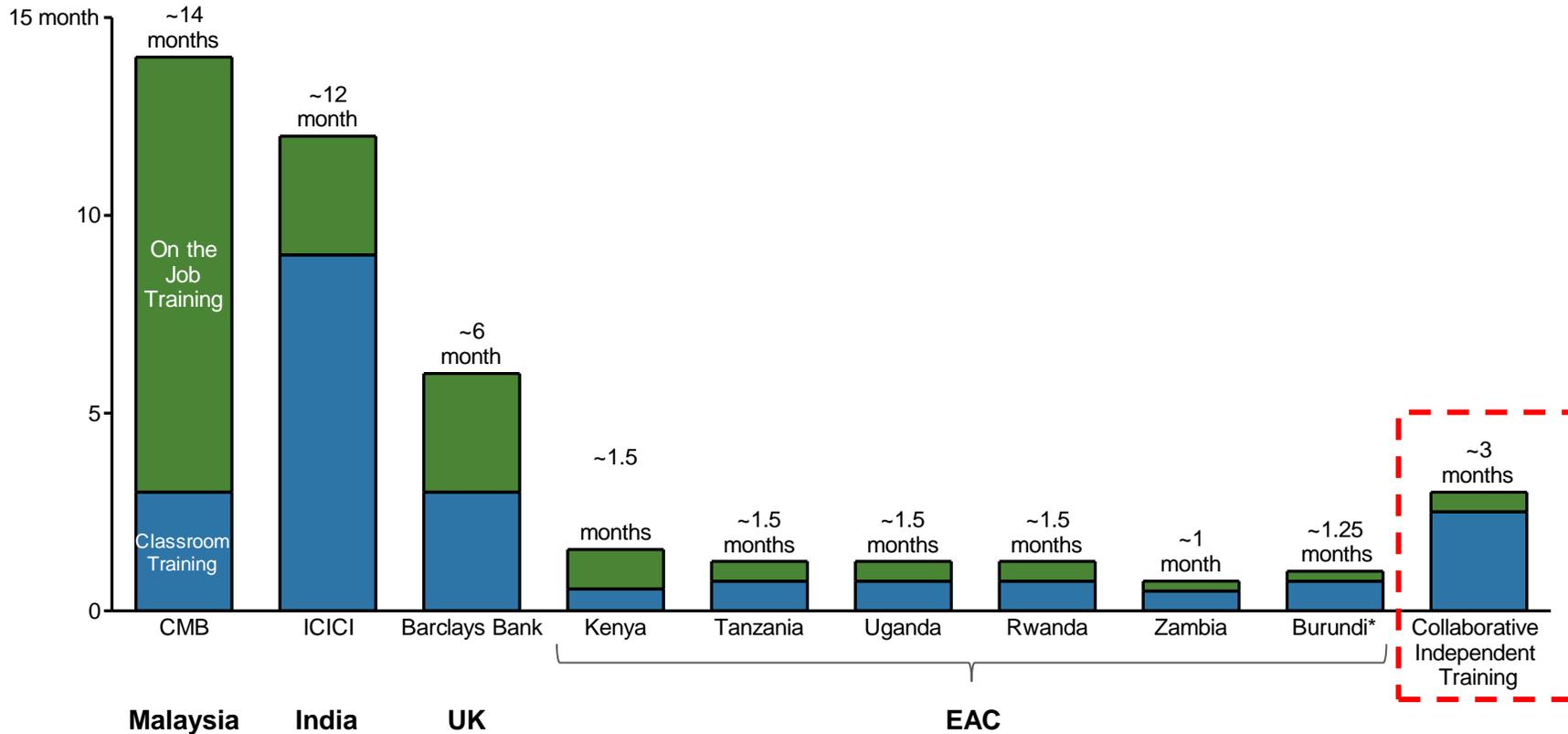
*Classes conducted for Associate of Kenya Institute of Bankers (AKIB) ; ** Average officer level salary has been taken as ~Ksh. 750K / year
 Source: Parthenon interview of banks and Micro Finance Institutions (n=33 conversations across 25 Banks and n=8 conversations across 7 MFIs), Associations and Skills Providers (n=16);

Conclusions and Recommendations

The proposed collaborative independent training program should be ~3 months in duration, with a 2 week on the job component with the partner bank

1 2 3 4
Potential Solutions
Option 1 Option 3 **C** *Product*

Training Duration (Months) For Entry Level (Officer) Positions Across Countries



Outstanding Questions

1. What is an acceptable training duration for FSPs in E. Africa?
2. What proportion of it should be on-the-job practical training?



Conclusions and Recommendations

The training will cover additional basic topics and will increase coverage of technical topics

Courses currently taught in EAC bank training

Additional Courses Taught in India and Should be Covered in EAC Bank Training

Basic Courses	Departmental/ Functional Courses	Advanced Departmental Courses
<ul style="list-style-type: none"> IT in Banking Accounting and Financial Management Basics of Banking General Management 	<p>1</p> <ul style="list-style-type: none"> Receipts and payment systems in banks Banking Laws Basics of Lending Banking – Allied Services Banking Environment 	<ul style="list-style-type: none"> Recovery Management Foreign Exchange Credit Risk Management Trade Finance and Cash Management Services Retail Banking Financial Planning Treasury Management Business Analytics
<p>2</p> <ul style="list-style-type: none"> Managerial Communication I Behavioral Program I Managerial Economics Business Mathematics and Statistics 	<ul style="list-style-type: none"> Development Banking Managerial Communication II Behavioral Program II 	<p>3</p> <p>No new product courses done: E.g. SME financing, new areas of financing like minerals, oil and gas etc.</p>

Changes in Training Aspects

- 1** Select departmental/ technical courses should be covered in more detail. E.g. Credit risk management, treasury management etc.
- 2** A number of additional basic courses like basic economics, mathematics, statistics etc. should be taught
- 3** New product training should be incorporated into the induction training

Other Aspects

- 1. Teachers:**
The teachers will have to be qualified independent trainers with prior banking experience. This will be supplemented by staff from the banks itself taking some parts of the training
- 2. Core Banking Software:**
The bank will transfer its CBS to the provider, allowing the students to familiarize themselves with the actual system beforehand
- 3. Practical “On-the-job” Training:**
The training will involve a 2 week on-the-job component where the students will be placed with the partner bank and will function as “shadow”: employees under an existing bank employee

Outstanding Questions

1. What topics/ content should be covered in the training?
2. What should be the duration and the depth of coverage of each topic?
3. Which type of trainers should be used?
4. What time lines should be aimed for for setting up this training?

Conclusions and Recommendations

Flexibility, past experience in bank training and academic credibility of the provider are key criteria to consider while selecting an appropriate partner to provide training

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Potential Solutions

Examples	Past Experience in Bank Training	Flexibility to Revise Content	Academic Credibility of Provider
	1. Do they have prior experience in skills training? 2. Have they worked with multiple FSPs in the past? 3. Have they provided relevant training?	1. Can they revise course content and curriculum quickly? 2. Are they flexible to change the course offerings? 3. Can they recruit and change trainers quickly	1. Do they have a good brand name in the market? 2. Do they have any accreditation/certification? 3. Are they a recognized academic authority for training?
Existing Bank Training Institutes	<ul style="list-style-type: none"> Kenya Institute of Bankers Uganda Institute of Banking and Financial Services <p style="text-align: center;">✓</p>	✓	Partial
Independent Private Training Providers	<ul style="list-style-type: none"> Euromoney Micro Save Omega <p style="text-align: center;">✓</p>	✓	✓
Universities	<ul style="list-style-type: none"> Strathmore University University of Dar Es Salaam <p style="text-align: center;">✗</p>	✗	✓

Most universities have a governing council which takes ~6 months to a year to make any changes in curriculum; recruitment/ change of professors is also a very slow process in universities

FSPs are more willing to work with the existing bank training institutes; however, these institutes will have to develop their authority as a relevant training provider



Conclusions and Recommendations

Course content developed by the provider should be practical in nature, and should be aligned with banks needs

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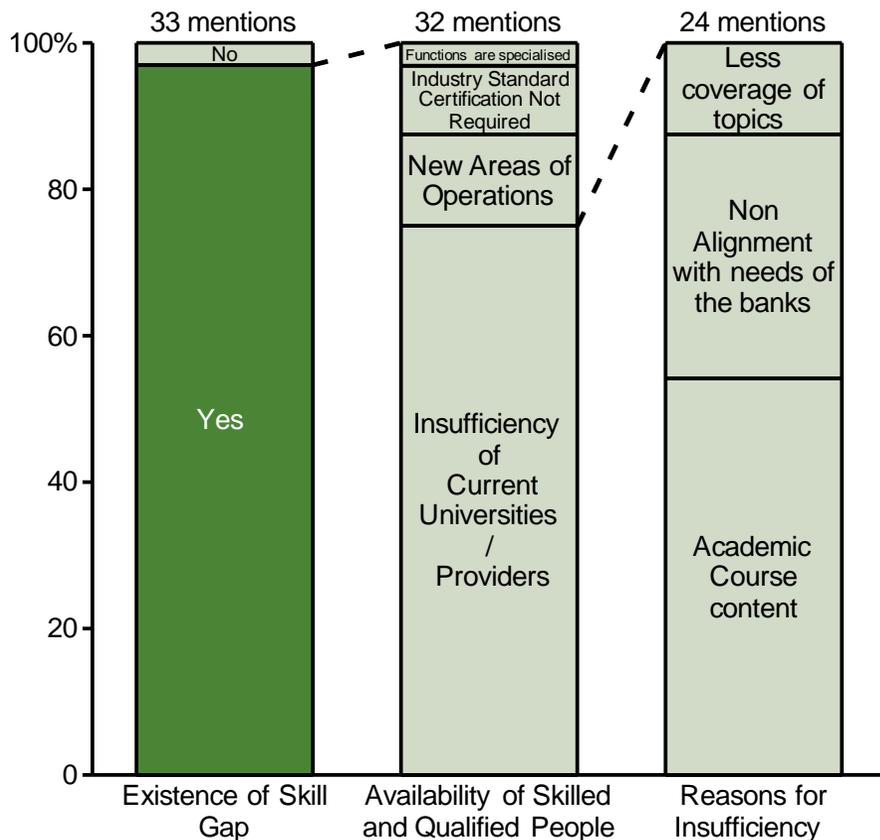
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Potential Solutions

Q: Do you think there is a skills gap in the market?

Q: Why do you think the skills gap exists?



“Most of the courses taught by providers are highly academic in nature, teaching theories of banking. Such a training is not relevant to banks ”

- **Managing Director, Kenya Commercial Bank (Kenya)**

“As we move into new areas like agriculture, project financing for SME etc. we find courses taught are not redesigned to meet todays needs of the bank. There is a strong need to configure courses based on products and services offered by banks today.”

- **General Manager, Learning and Leadership Development, Equity Bank (Kenya)**

“Most of the banking courses do not a wide coverage of topics and only focus on few theoretical aspects of banking. As banks have evolved there is a strong need to include wider array of topics”

- **Chief Operating Officer, Bank of Kigali (Rwanda)**

Conclusions and Recommendations

Potential for regional collaboration depends on regulation, product differentiation, logistics and language differences

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Potential
Solutions

	Description	EAC Context	Supporting Collaboration in EAC?	
1	Regulation	<ul style="list-style-type: none"> Rules and regulations set by Central banks may differ across countries 	<ul style="list-style-type: none"> Challenging to do a common course legislated across different countries However, private banks across larger countries like Kenya and Tanzania will drive commonality in training 	✓
2	Product Differentiation	<ul style="list-style-type: none"> With difference in the level of maturity of the banking sector across EAC product offering will vary among countries 	<ul style="list-style-type: none"> Product mix in larger countries like Kenya and Tanzania is very similar Regional banks like KCB do conduct common regional training sometimes 	✓
3	Logistics	<ul style="list-style-type: none"> Increased logistics challenge and cost of travel 	<ul style="list-style-type: none"> Banks will face logistical barriers like transportation and accommodation in taking employees to a different countries 	✗
4	Language	<ul style="list-style-type: none"> Primary languages spoken across the EAC differ 	<ul style="list-style-type: none"> Challenging to develop and deliver courses in different languages 	✗

“Sending 40-50 employees every year to another country would involve significant cost in terms of travelling and living allowances. We would be more inclined to have 1 trainer come here than send 40 people there”

- **HR Business Partner, Kenya Commercial Bank (Uganda)**

“In Rwanda and Burundi most of the staff are well competent in French but not so well versed in English. If the common training is taught in English then it might be challenging for most of the trainees from Burundi and Rwanda”

- **HR Head, Kenya Commercial Bank (Burundi)**

Private collaboration across larger countries like Kenya and Tanzania may be possible

Agenda

Project Overview

Executive Summary

Introduction to EAC Skills Requirement

International Benchmarks

FSPs

Supplier Landscape

Conclusion and Recommendation

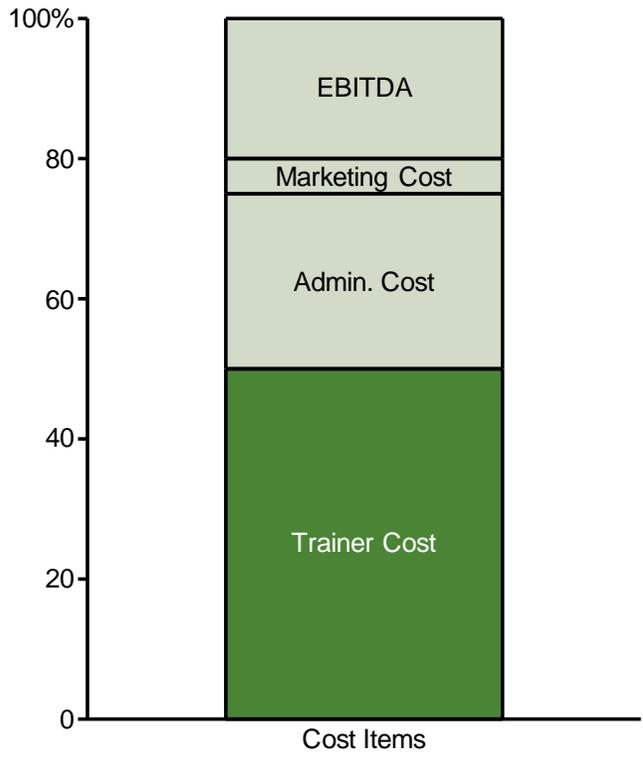
Appendix



Appendix

For a scale of ~80 students per year, implied fee of the new training would be ~Ksh. 125K

Typical Revenue Composition for a Skills Training Institute



Assumptions and Calculations

Cost of trainer (Ksh. Per day)	~21K
Total training duration	60 training days
Trainer cost (Ksh. per batch)	~1.25M
Total number of students	80
Students per batch	20
Number of batches	4
Total trainer cost (Ksh.)	~5M
Trainer cost as a % of Revenue	50%
Total Revenue (Ksh.)	~10M
Implied fee of course (Ksh.)	~125K

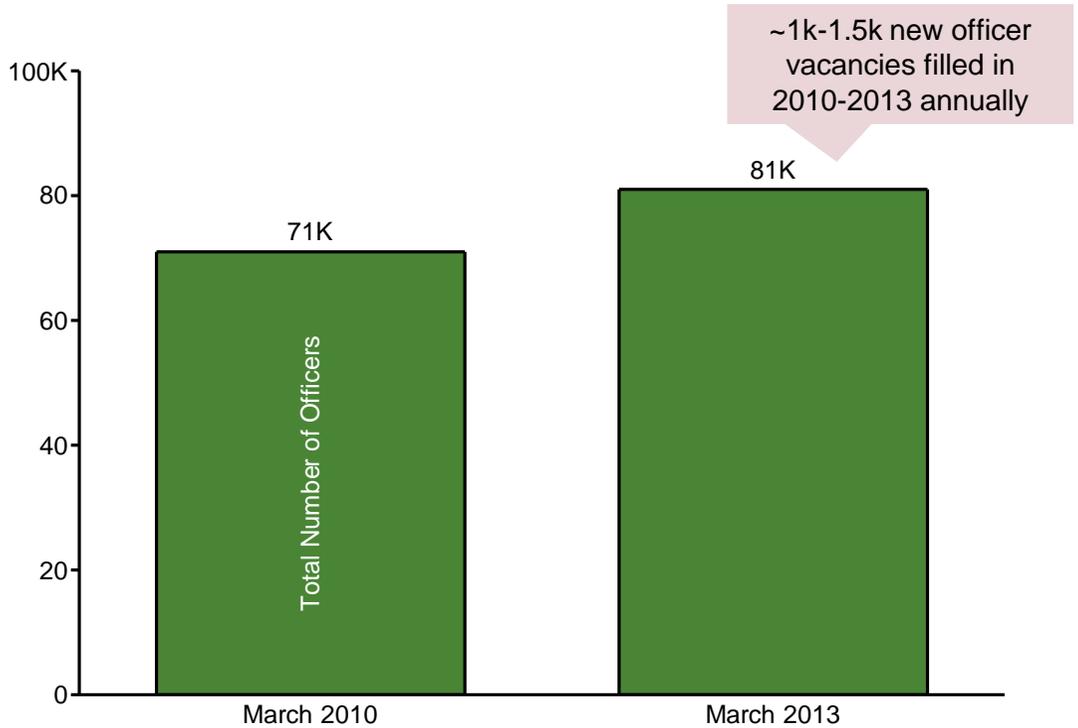
- Cost of trainer at KIB: ~Ksh. 16K per day
- Salary of a full time University professor: ~Ksh. 11.5K per day
- Salary of a typical mid – level manager at a EAC bank: ~Ksh. 10K per day



Appendix

State Bank of India (SBI) is the largest bank in India with a network of ~15K branches and ~220K employees

Number of SBI Employees in India, 2010, 2013



Key Features

- Established in 1806. At 200 years, it is one of the oldest banks in India
- Founded with the dual goal of profitability and financial inclusion
- Largest footprint in India - Presence across 28 states and seven union territories
- Strong International Presence - Over 180 overseas office across 34 countries
- Has 5 independently operating associate banks under itself

Branches	12.0K	15.0K
Total Employees	200K	228K

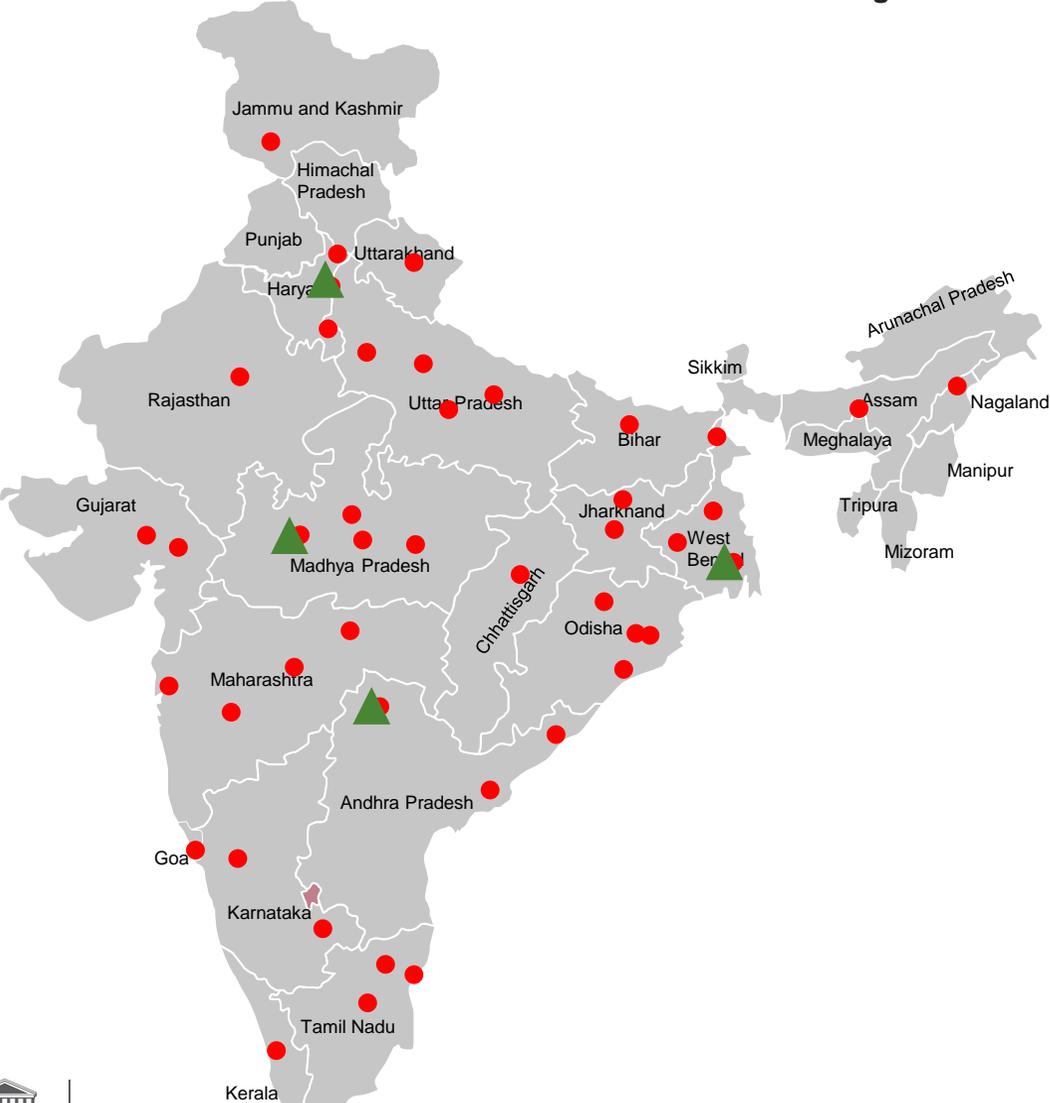
What recruitment process does SBI use to hire new officers?



Appendix

State bank has over 50 learning centers across India

SBI learning center locations, India



● Staff Training Centers

- Training of Probationary Officers and clerical staff
- Infrastructure also used by other banks

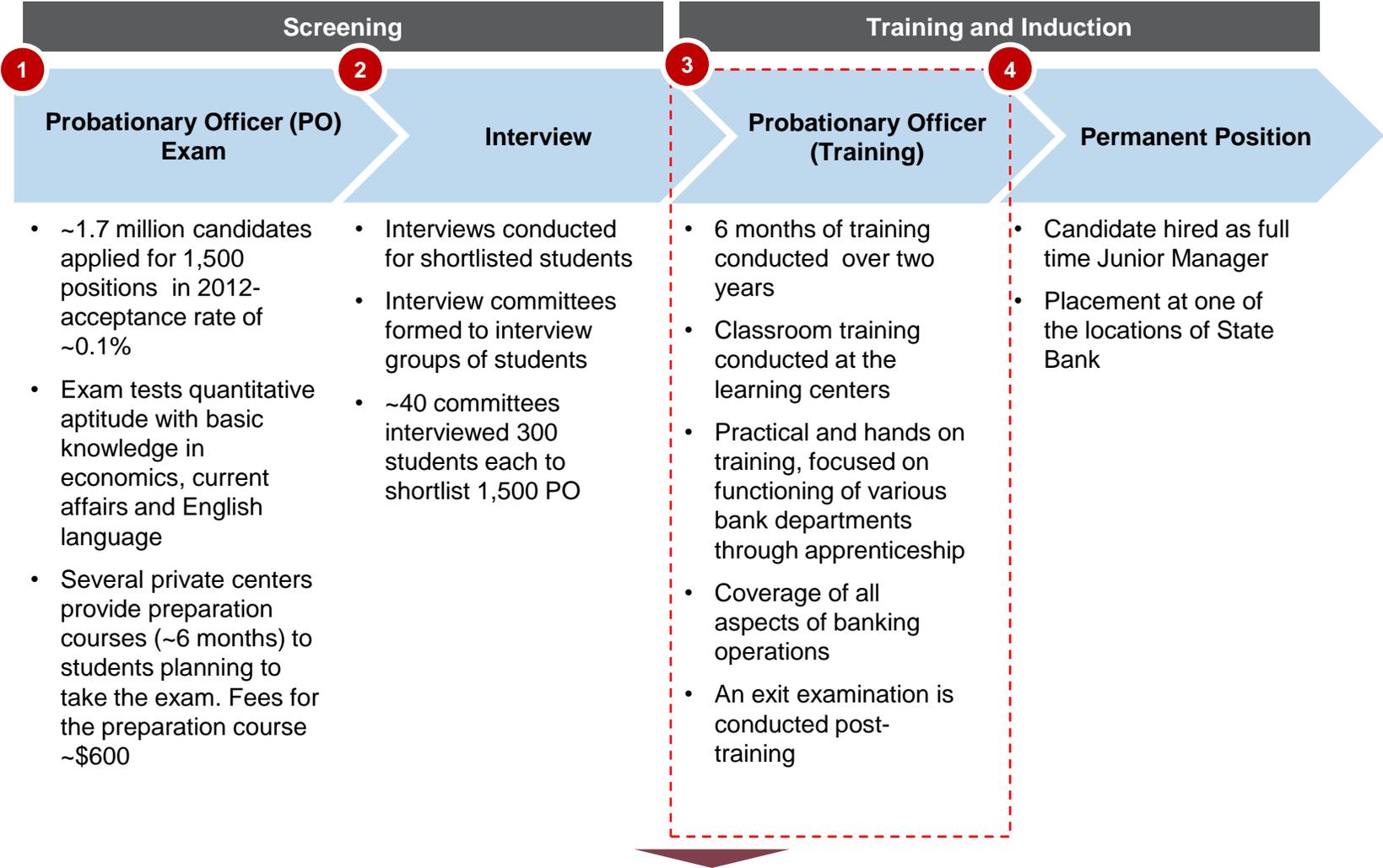
▲ Apex Training Centers

- Training of Sr. Management



Appendix

Screening exam and interviews are used to select qualified candidates for training; Upon successful completion of training and an exit exam, candidates are hired on a permanent basis

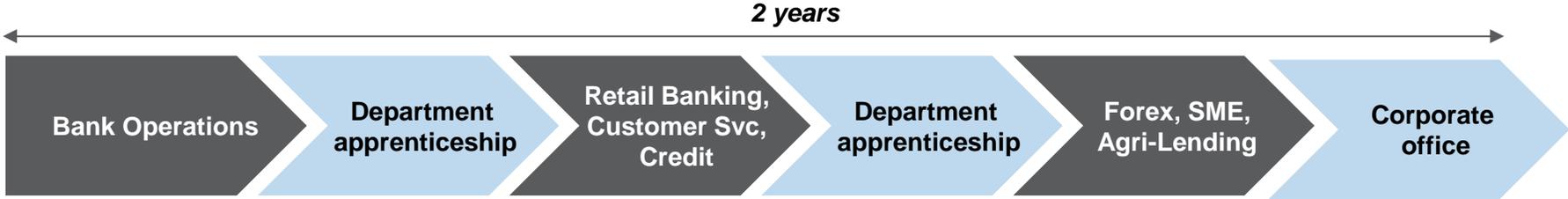


What is the structure of training provided to the Probationary Officers?



Appendix

Training is conducted for ~ 6 months over a 2 year period; Training is structured to include classroom and on the job training



Program details

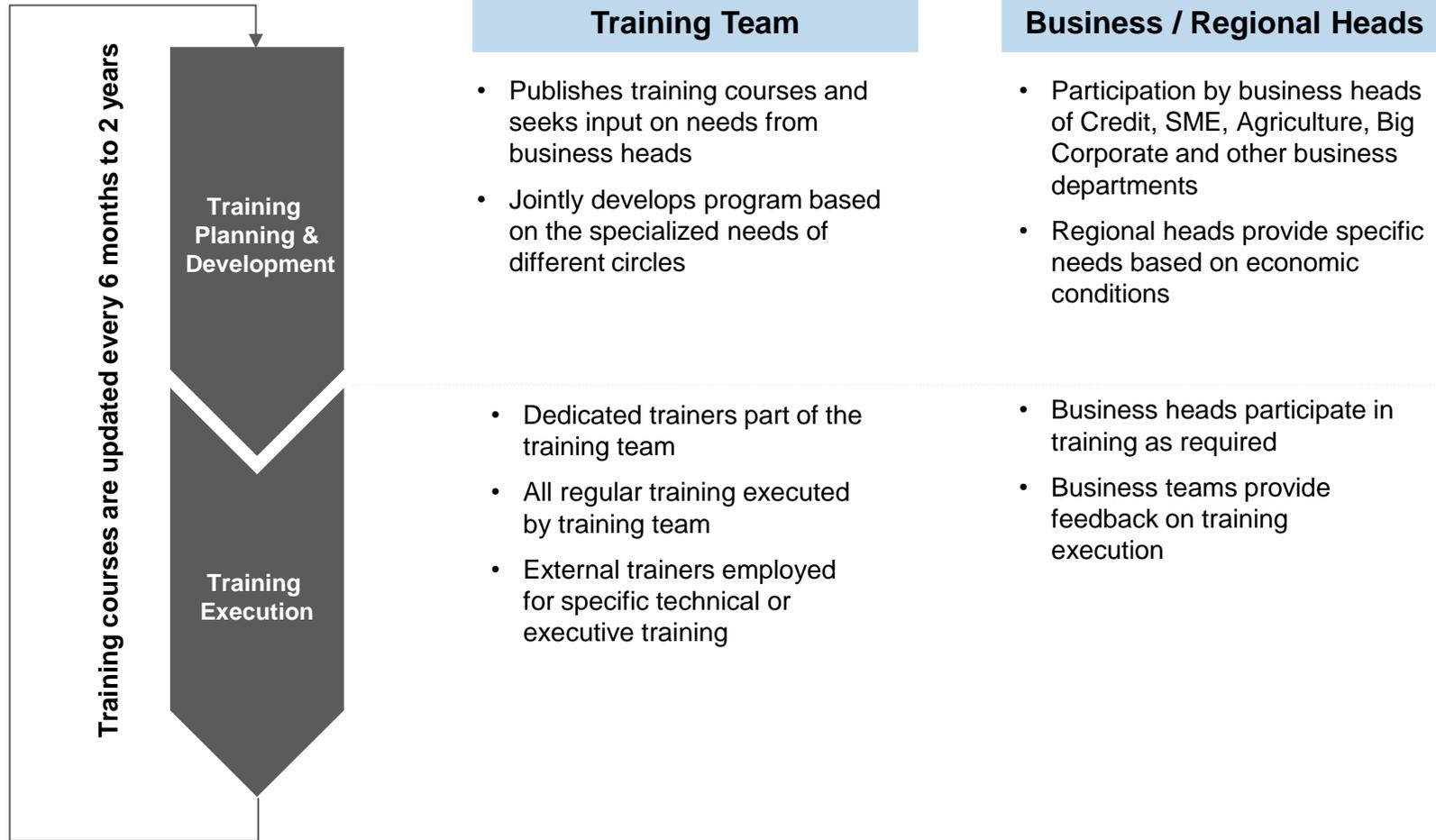
Learning Center based Training

- 6 months of training is provided in learning centers over a period of 2 years of Probation
- Training includes all aspects from basic banking operations to technical aspects of all individual departments such as Retail, Credit, Forex, SME, Customer Service and others.

Apprenticeship

- Short duration placement in individual department for hands on experience
- Rotation through all department ensures officers are comfortable working in any department after confirmation of full time employment

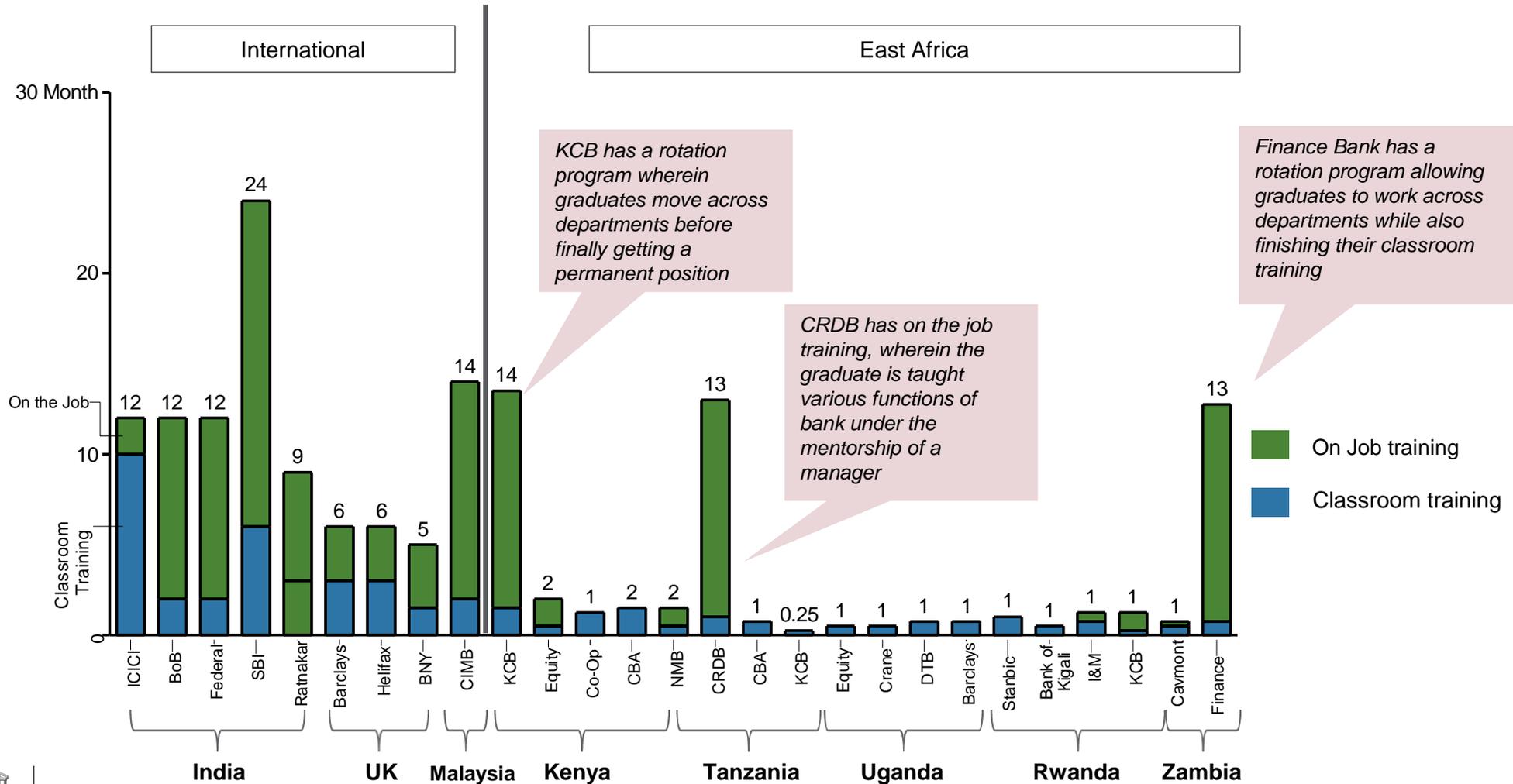
Training content is jointly developed by training staff and business heads to ensure relevance of the training program



Appendix

Duration of training provided to new recruits (university graduates) in most of the E. African banks is 2x to 8x shorter than banks in India

Training Duration (Months) For Entry Level Employees (Officer Level Positions), 2013



Source: Parthenon interview of banks and Micro Finance Institutions (n=12 FSP's and n=17 interviews), Associations and Skills Providers (n=8)

Appendix

List of People interviewed by Parthenon (1/3)

Sr.	Country	Type of Organization	Organization	Designation
1	Kenya	Bank	Kenya Commerical Bank	MD Kenya
2	Kenya	Bank	Kenya Commerical Bank	Head Micro Banking
3	Kenya	Bank	Kenya Commerical Bank	HR Business Partner
4	Kenya	Bank	Equity Bank	Assistant Manager HR
5	Kenya	Bank	Equity Bank	GM Leadership and Development
6	Kenya	Bank	Co Op Bank	Director, Credit Management Division
7	Kenya	MFI	SMEP	Head of Operations
8	Kenya	Provider	Kenya Institute of Bankers	Executive Director
9	Kenya	Provider	Kenya Institute of Management	CEO
10	Kenya	Association	Kenya Bankers Assocation	Director, Research and Policy
11	Kenya	Provider	Kenya School of Monetary studies	Executive Director
12	Kenya	MFI	Oiko Credit	Country Head- Kenya
13	Kenya	Bank	Commercial Bank of Africa	Group Head -Human Resouces
14	Kenya	Bank	Diamond Trust Bank	Senior Manager, HR
15	Kenya	Bank	Co-Op Bank	Head of Credit Management
16	Tanzania	Provider	Tanzania Institute of Bankers	Training Manager
17	Tanzania	Bank	National Micro Finance Bank	Senior Learning and Development Manager
18	Tanzania	Bank	CRDB Bank	Head, Human Resources
19	Tanzania	Bank	Kenya Commercial Bank	Managing Director
20	Tanzania	Bank	Kenya Commercial Bank	Head, HR

Appendix

List of People interviewed by Parthenon (2/3)

Sr.	Country	Type of Organization	Organization	Designation
21	Tanzania	Bank	Commercial Bank of Africa	Head of HR
22	Tanzania	MFI	BRAC	Country Representative
23	Tanzania	Association	Tanzania Bankers Association	Executive Director
24	Tanzania	Provider	Institute of Finance Management	Director, Undergraduate Studies
25	Tanzania	Provider	Bank of Tanzania Training Institute	Director of Studies
26	Uganda	Bank	Crane Bank	Head of Human Resouces
27	Uganda	Bank	Barclays Bank Uganda	Head of Human Resouces
28	Uganda	Bank	Equity Bank	GM -Human Resouces
29	Uganda	Bank	Stanbic Bank	Manager, Learning and Development
30	Uganda	Bank	Commercial Bank of Africa	Director -Human Resouces
31	Uganda	Bank	Commercial Bank of Africa	Managing Director
32	Uganda	Bank	Diamond Trust Bank	Manager, Human Resources
33	Uganda	Bank	Kenya Commercial Bank	Learning and Development Manager
34	Uganda	MFI	PRIDE	Human Capital Manager-Employee Relations
35	Uganda	MFI	PRIDE	Human Capital Manager-Learning and Training
36	Uganda	Association	PSFU	Executive Director
37	Uganda	Provider	Uganda Institute of Banking and Financial Services	Executive Director
38	Uganda	Association	Uganda Bankers Association	Executive Director
39	Uganda	Association	AMFIU	Executive Director
40	Uganda	MFI	FINCA	Regional Training Manager



Appendix

List of People interviewed by Parthenon (3/3)

Sr.	Country	Type of Organization	Organization	Designation
41	Rwanda	Association	AMIR	Executive Secretary
42	Rwanda	MFI	Al Halaal Bank	Managing Director
43	Rwanda	Bank	Banque Populaire Du Rwanda	Head, Human Resource
44	Rwanda	Bank	I&M Bank	Deputy HR
45	Rwanda	Bank	Bank of Kigali	Head HR, Chief Operating Officer
46	Rwanda	Provider	School of Finance and Banking	Head of Finance Department
47	Rwanda	Bank	Kenya Commerical Bank	Head of HR
48	Rwanda	Association	Rwanda Bankers Association	Executive Secretary
49	Zambia	Association	Bankers Association Zambia	Admin Officer
50	Zambia	Association	AMIZ	Executive Secretary
51	Zambia	MFI	CETZAM	CEO
52	Zambia	MFI	Agaro Microfinance Zambia	HR Manager
53	Zambia	Provider	Zambia Institute of Banking and Fin Services	CEO
54	Zambia	Bank	Cavmont bank	Head Human Resource
55	Zambia	Bank	Finance Bank Zambia	Head, Training and Development
56	Zambia	Bank	BarclaysBank Zambia	HR Manager
57	Zambia	Bank	Stanbic Bank	HR Manager
58	Burundi	Bank	Kenya Commerical Bank	HR Head