



Elevating Kenya's Workforce

A Glimpse into the 2023 Skills Landscape

November 2023



Introduction

In pursuit of Kenya Vision 2030, a robust and comprehensive understanding on workforce skills is fundamental. Accurate, current data on the labor market isn't just a necessity - it's the foundation for strategic human resource planning and development. Human capital is the amalgamation of skills, education, creativity, health and more. It stands at the heart of Kenya's potential for service delivery, economic participation and economic mobility.

Enter human resource development – a lifelong learning journey anchored in partnership between employers and educators. Kenya's young and ambitious population is its greatest asset, however, high unemployment largely due to skills shortages presents a growing economic challenge.

Kenya Vision 2030 and the third Medium-Term Plan (2018-2023) underscore human resource development as a pivotal driver for national transformation. The economic, social, and political pillars of the Vision rely profoundly on a highly trained, adaptive, and productive human resource base.

In light of the above, the Federation of Kenya Employers (FKE) carried out a survey to analyze the evolving landscape of skill demands in Kenya's current and future work environments. The survey targeted 521 enterprises spanning across different sectors of the economy and operating across the country. Nexford University along with the African Digital Media Institute (ADMI) have partnered with FKE to support this initiative which aligns with Nexford's ongoing pursuit of delivering skills-focused, job-relevant and affordable education worldwide.

For the full FKE report please visit <https://www.fke-kenya.org/>





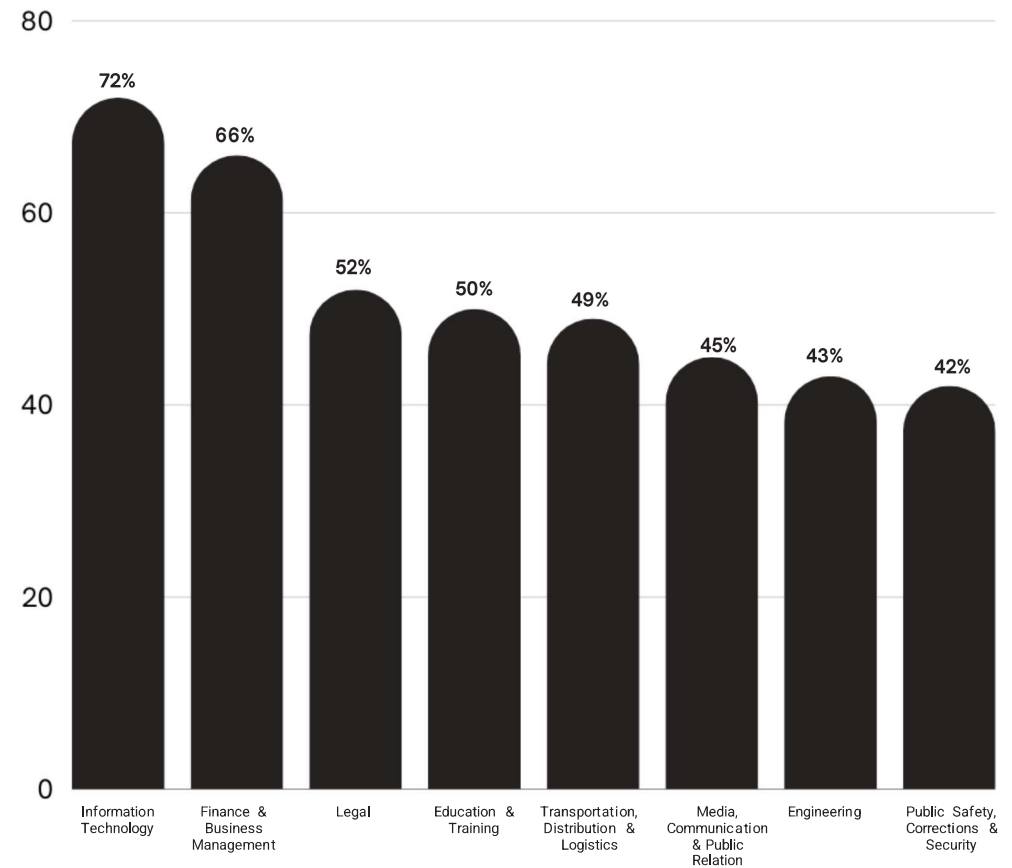
**Kenya's Job Skills
Landscape 2023**

Which job domains have the highest demand in Kenya?

The top 5 career fields in highest demand by enterprises:

- Information Technology
- Finance & Business Management
- Legal
- Education & Training
- Transportation, Distribution & Logistics

Demand in Enterprises



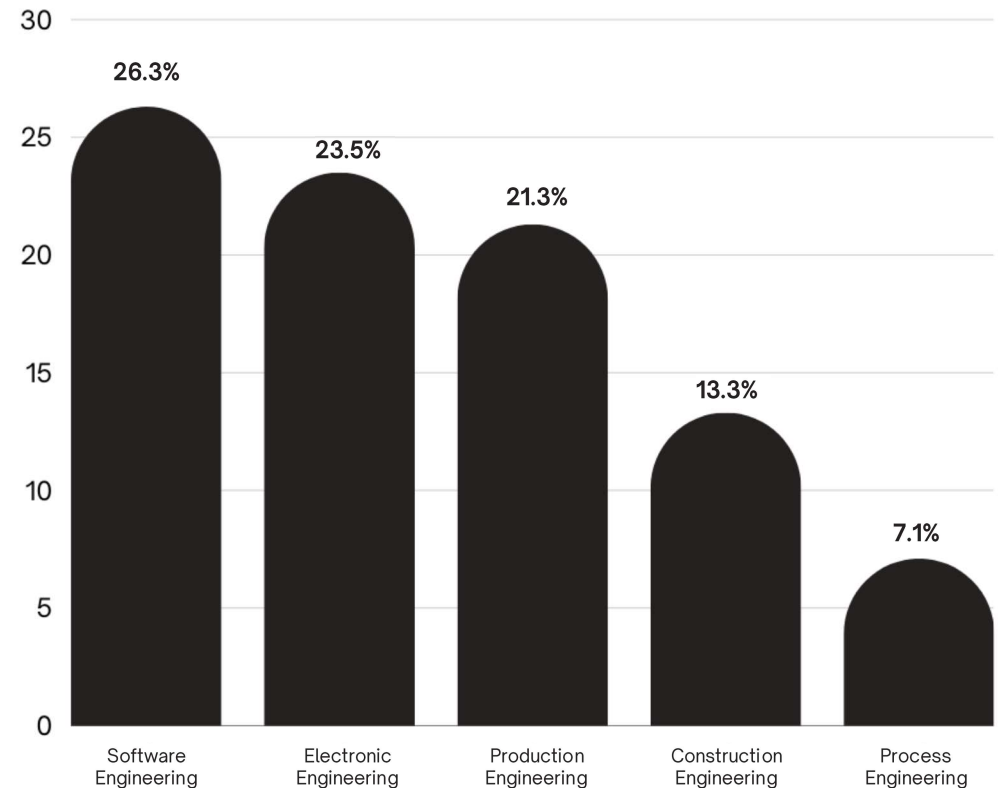
IT, Finance and Business Management and Legal emerge as the career fields with the highest demand in Kenya.

What are the top engineering streams preferred by the companies?

The Top 3 Engineering streams preferred by the companies include:

- Computer and Software engineering
- Electrical and Electronics engineering
- Mechanical and Production engineering

Demand in Enterprises



Computer Science and Software Engineering are in highest demand.

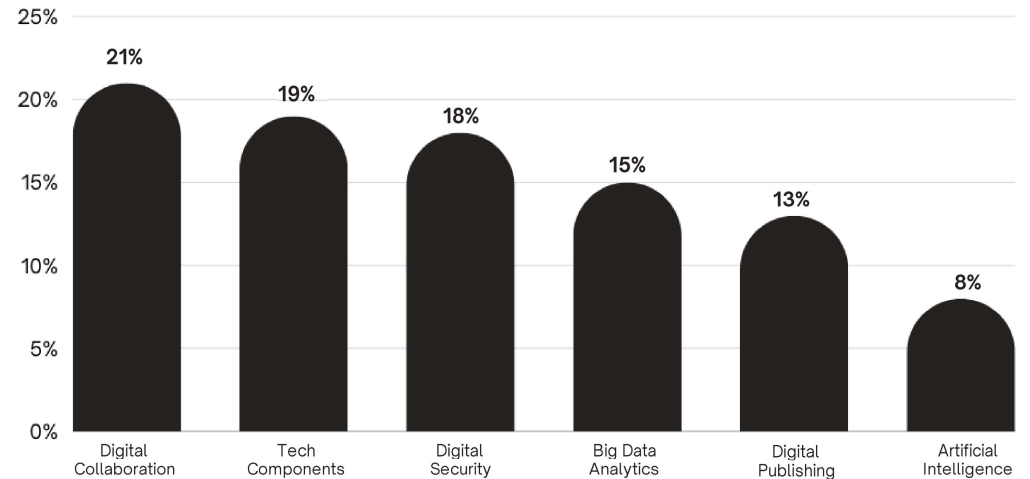
What are the most sought-after digital skills?

Information & Communication Technology (ICT) and Digital skills remain much sought after by organizations across industries.

The Top 3 Digital skills that enterprises are looking for in their employees are:

- Collaboration on digital platforms
- Technology components (electronics & machine ware)
- Cyber and Digital security

Demand in Enterprises



Digital skills will be important to develop among the continent's young talent, especially since companies around the world, particularly in countries with aging demographics, will increasingly turn to Africa as a source of talent. Indeed, African talent could become the continent's largest export and given shifts we are seeing in how work gets done, this talent may not need to leave the continent to fulfill this demand.

McKinsey & Co. (Reimagining economic growth in Africa, June 2023)



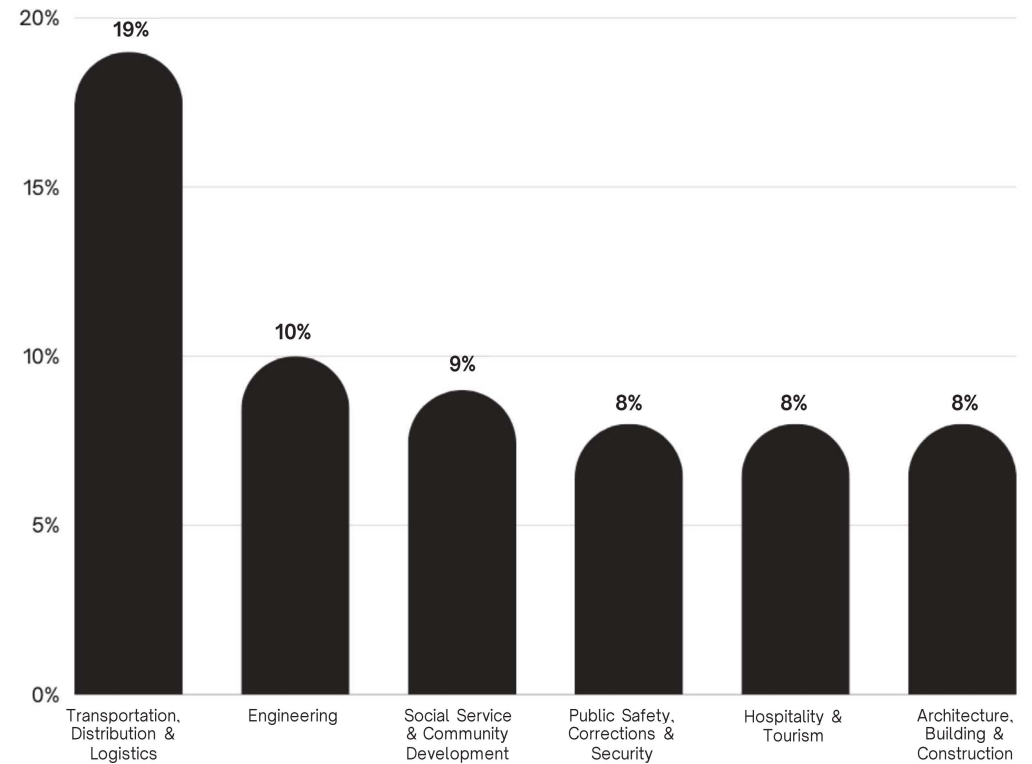
Large enterprises have a greater demand for AI, Robotics, and Automation skills.

Which sectors have the highest demand for TVET skills?

The top career fields which require TVET skills:

- Transport and Logistics
- Engineering
- Social service & community development

Demand in Enterprises



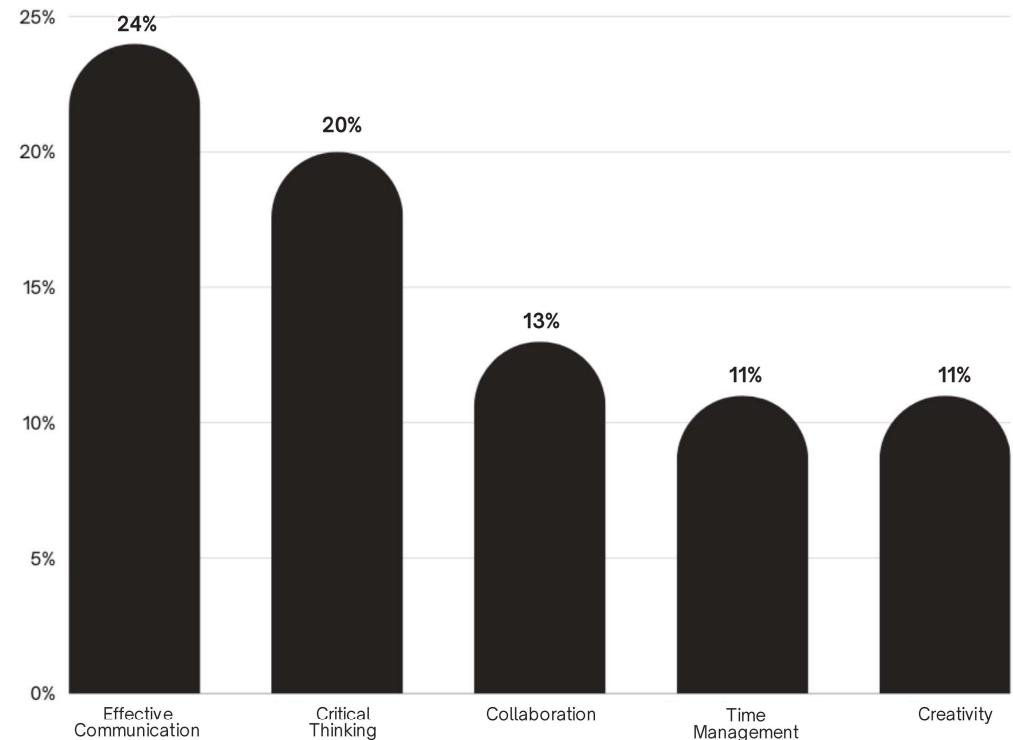
Transportation, Distribution & Logistics sectors pose the highest demand for TVET skills in individuals.

What are the critical soft and social skills in demand?

The Top 3 Soft and Social skills that are in highest demand in today's workplace are:

- Effective Communication
- Critical Thinking
- Collaboration

Demand in Enterprises



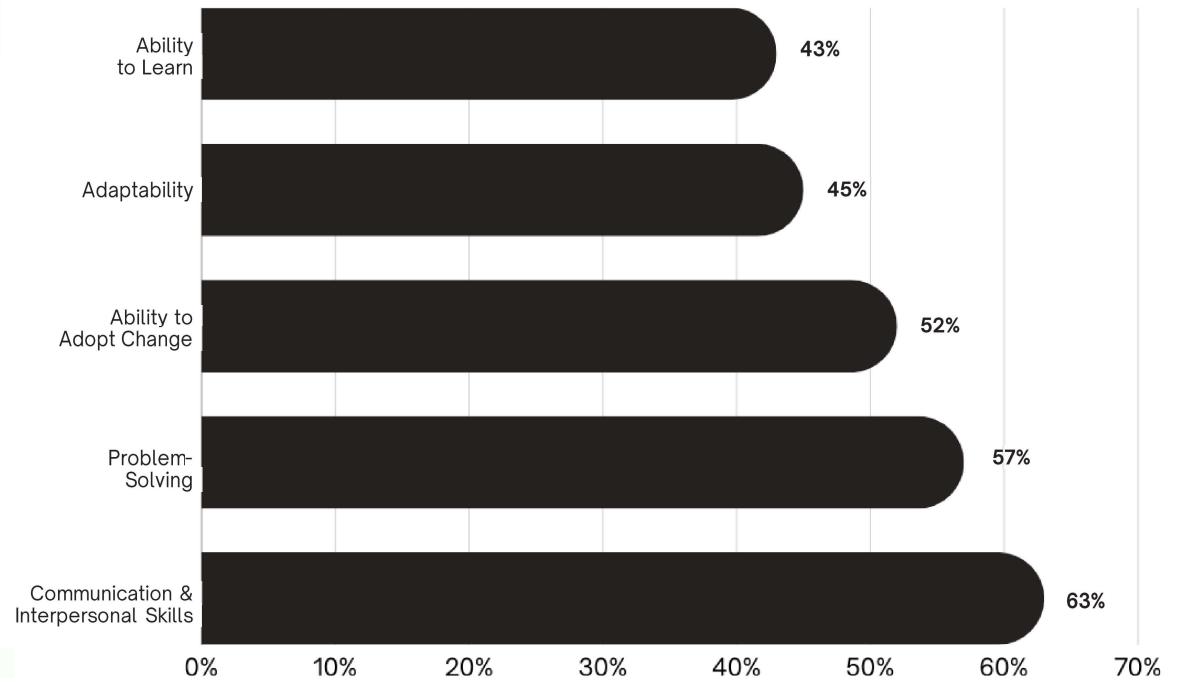
1 in 4 organizations sees Effective Communication as an essential skill to succeed in today's workplace.

What are the critical soft and social skills in demand?

Globally, the Top 3 Soft and Social skills that are in highest demand are:

- Communication & Interpersonal Skills
- Problem-Solving
- Ability to adopt change

Top 5 Most in-Demand Skills for Employers (Globally)



Which sectors have the most hard-to-fill vacancies?

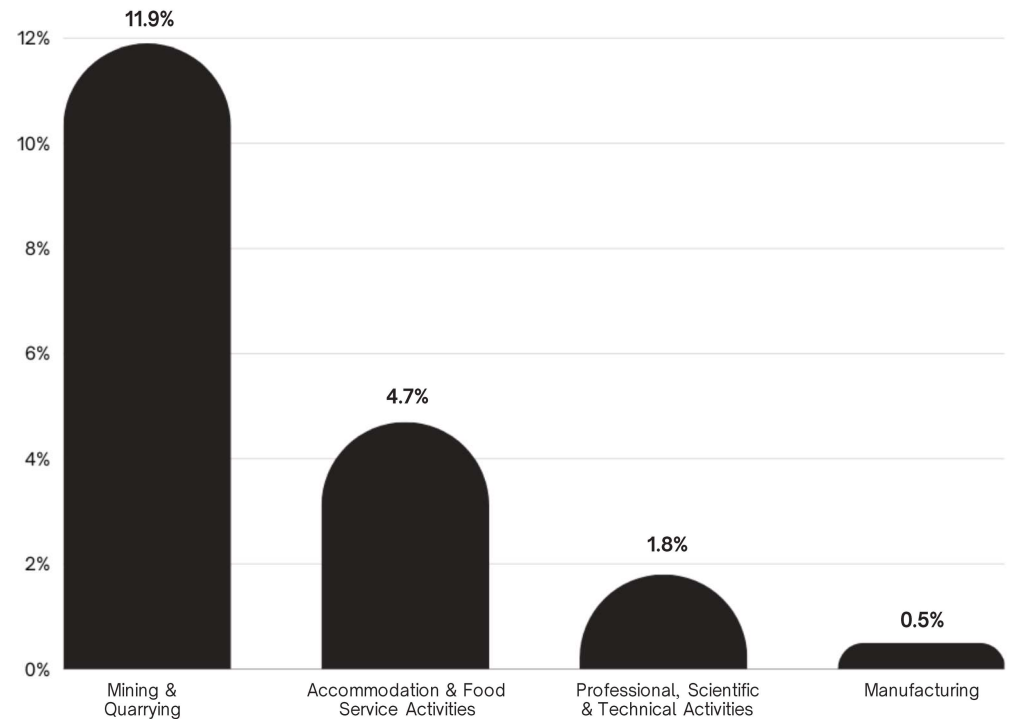
There are skills and sectors that find it extremely challenging to fill vacancies due to various factors.

- 12% of vacancies in mining & quarrying are hard to fill.
- 5% of vacancies in accommodation & food service are difficult to fill.



2% of the Kenya's current employee base is hard-to-fill

Hard-to-Fill Vacancies in the Sector



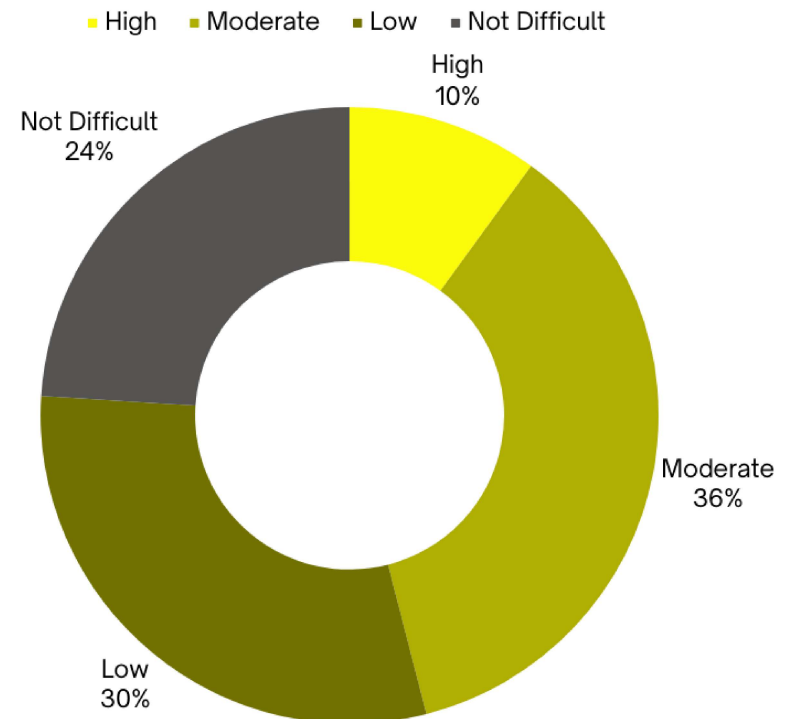
A black and white photograph of a business meeting in a modern office. Several people are seated around a table, and one man is standing and pointing at a whiteboard. The whiteboard displays a pie chart and some text. The scene is backlit by large windows, creating a silhouette effect. A yellow rectangular overlay is positioned on the left side of the image, containing the text.

Skill-gap
**Challenges for
Organizations**

How large is the ‘lack of relevant skills’ challenge for enterprises?

76% of enterprises face challenges in filling their vacancies due to lack of relevant skills in job seekers.

Difficulty in Finding Employees with Relevant Skills

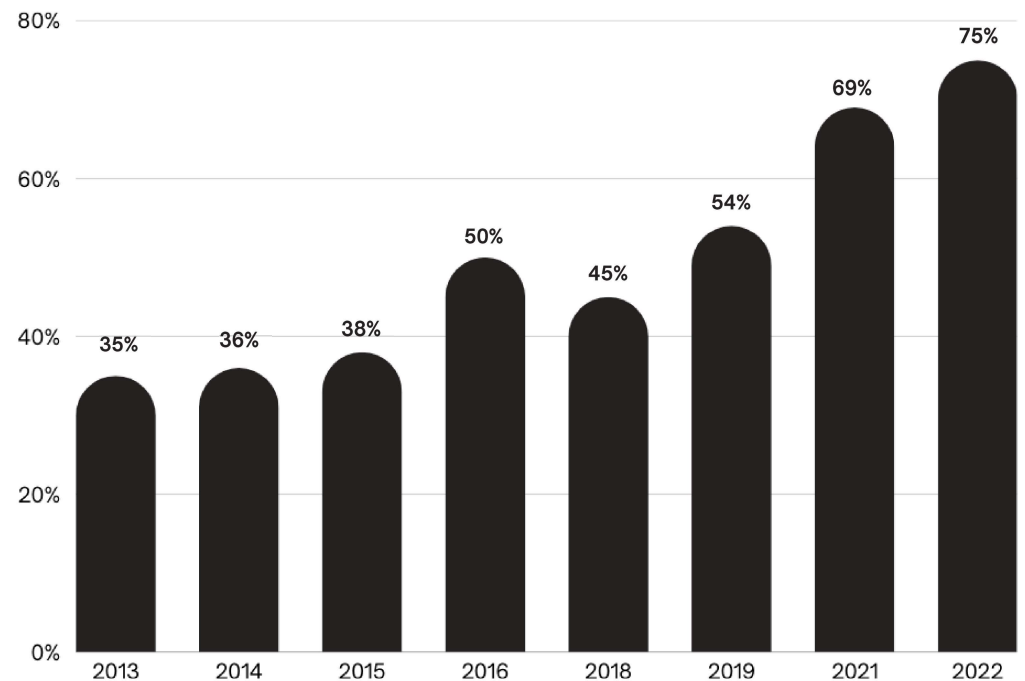


3 out of 4 organizations deal with a skill-shortage challenge in Kenya today.

How large is the ‘lack of relevant skills’ challenge for enterprises?

Globally as well, 75% of those having difficulty recruiting believe there is a skill shortage among their applicants. This percentage has been going up in the last few years and is at its 17-year highest right now.

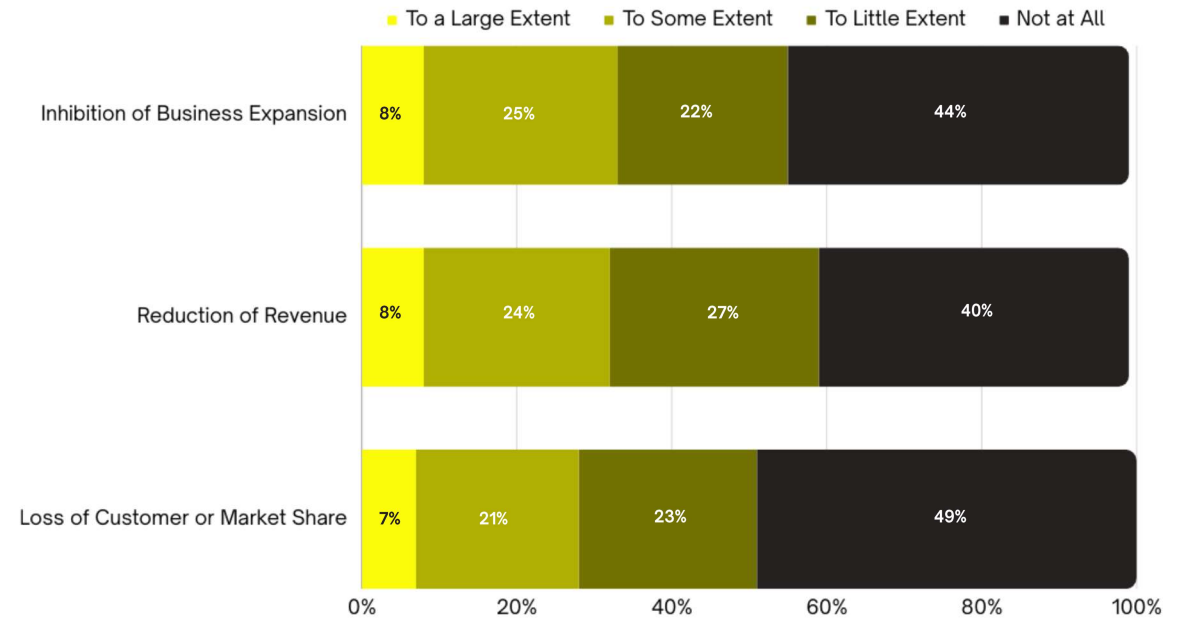
% Employers Facing Skill Shortage (Globally)



What is the impact of the skill-deficit on companies? (Globally)

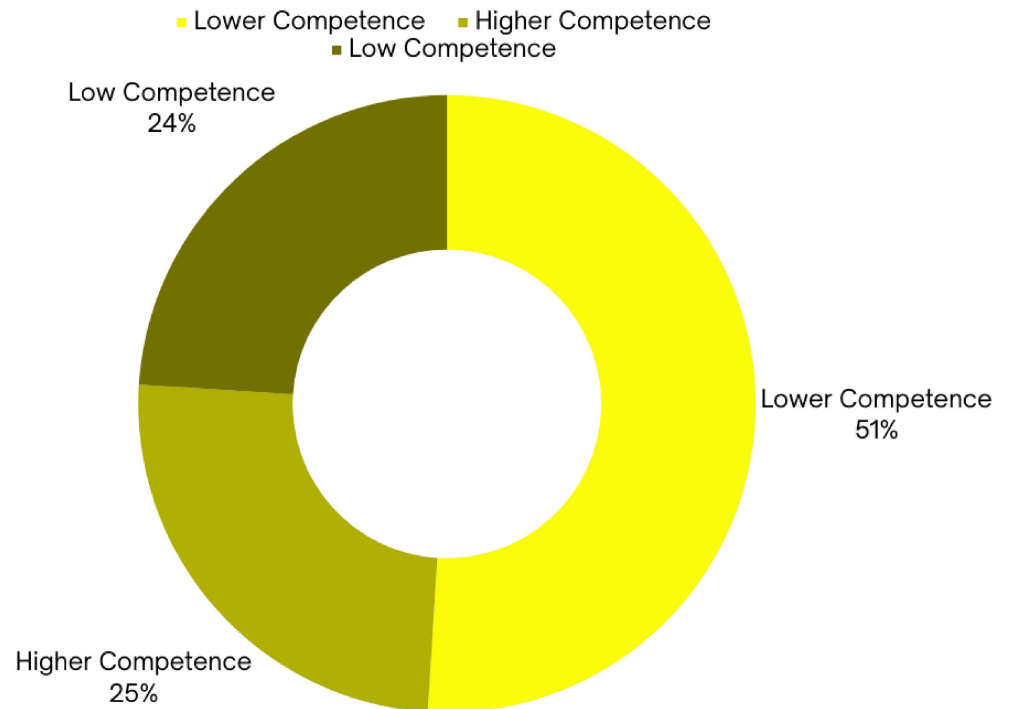
- 55% of organizations face challenges in business expansion due to skill-deficit
- 60% of organizations see decreased revenues
- 51% of organizations see a loss of market share

% Employers Facing Skill Shortage (Globally)



What do companies do about their hard-to-fill job vacancies?

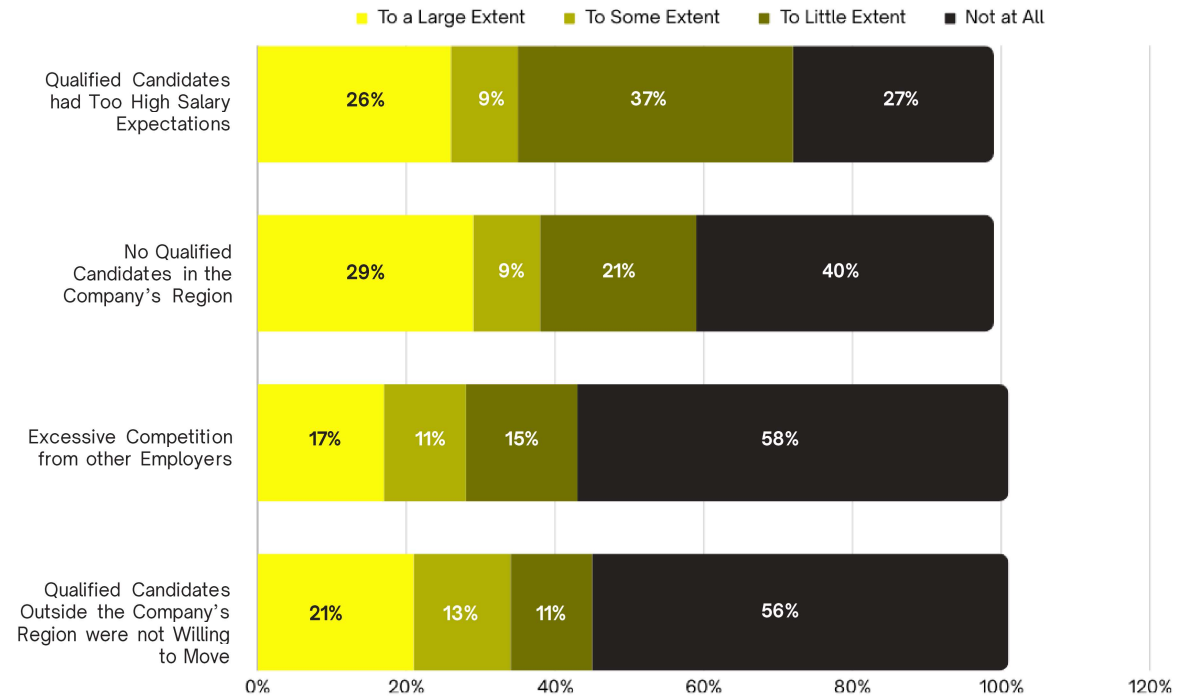
- 24% of the companies did not employ anyone and vacancies still exist.
- 51% of the companies employed someone with a lower competence than desired.
- 25% of these companies employed someone with a higher competence than desired.



3 out of 4 organizations had to go with sub-optimally skilled candidates and the rest never got to fill their vacancies.

Why are some vacancies hard-to-fill?

- In 73% of the cases, salary expectations of qualified candidates were way too high
- 59% of enterprises experienced a lack of competency among the local job seekers
- 42% of employers faced excessive competition from other organizations to get talent

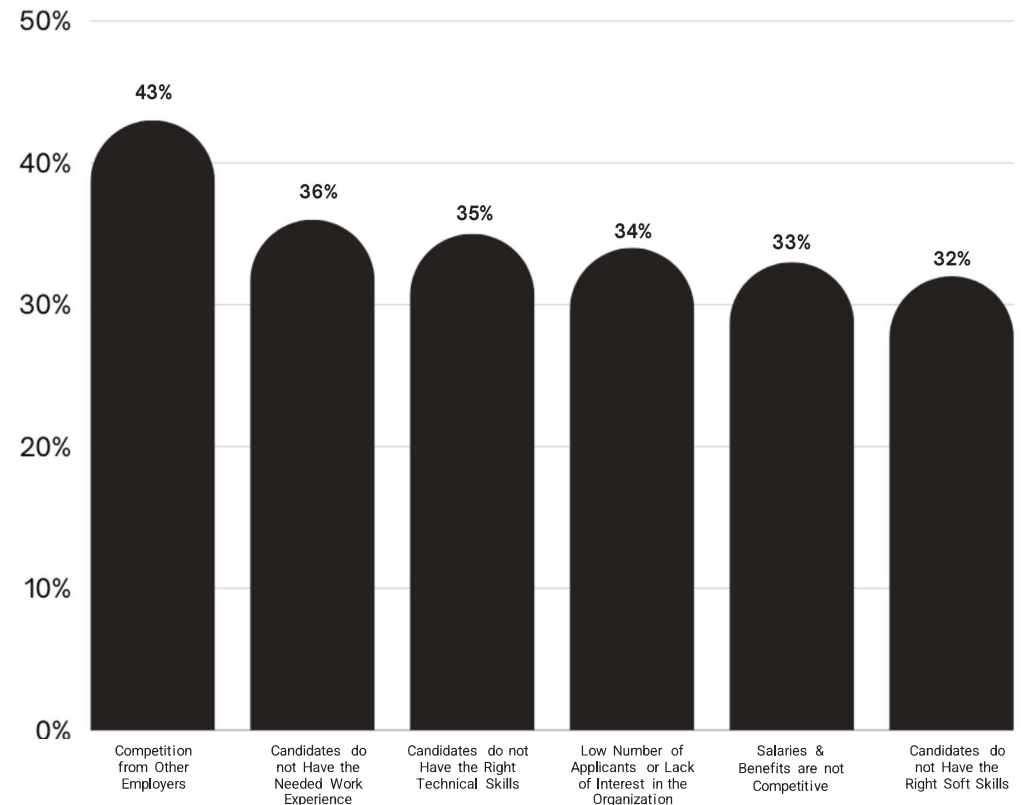


The supply shortage of relevant skills has resulted in a rise in the price of skills.

Why are some vacancies hard-to-fill? (Globally)

Globally, **competition and lack of skills and work experience** are the top reasons for employers finding it difficult to fill some vacancies.

Top Reasons Organizations Globally are Struggling to Hire Suitable Candidates

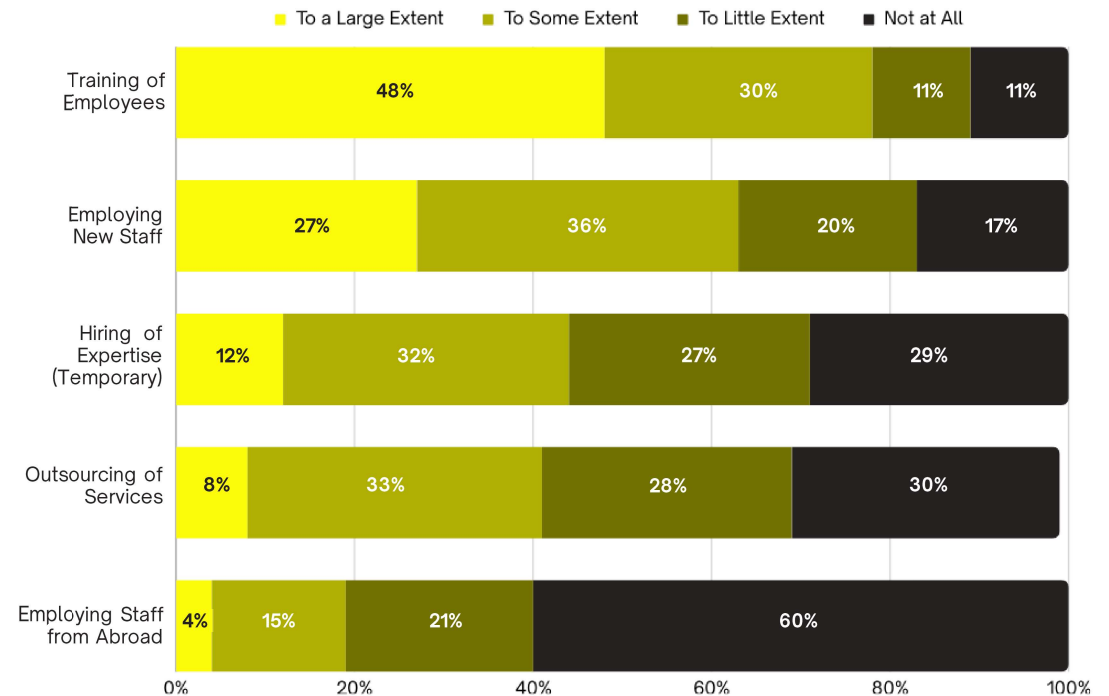


What are the measures taken by organizations to bridge skills-gap?

The most preferred actions taken by companies to bridge the skill shortage are:

- Training of employees (89%)
- Employ new staff from the Kenyan market (83%)
- Hire temporary staff (71%)
- Outsourcing the work (70%)
- Employ staff from abroad (40%)

Effectiveness of Measures

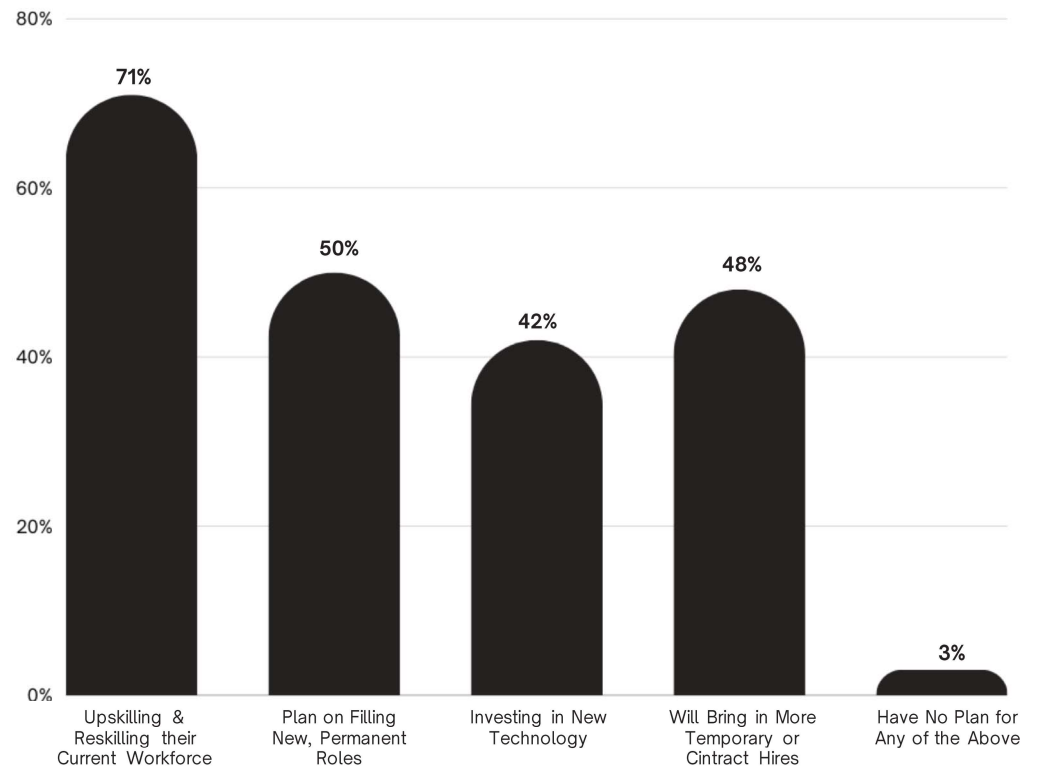


Training existing employees and hiring new staff are the most popular methods to tackle skill-shortage today.

What are the measures taken by organizations to bridge skills-gap? (Globally)

Globally as well, most employers are investing in **upskilling & reskilling** of their current employees to bridge the skill gap.

How Employers are Addressing the Skill Gap (Globally)

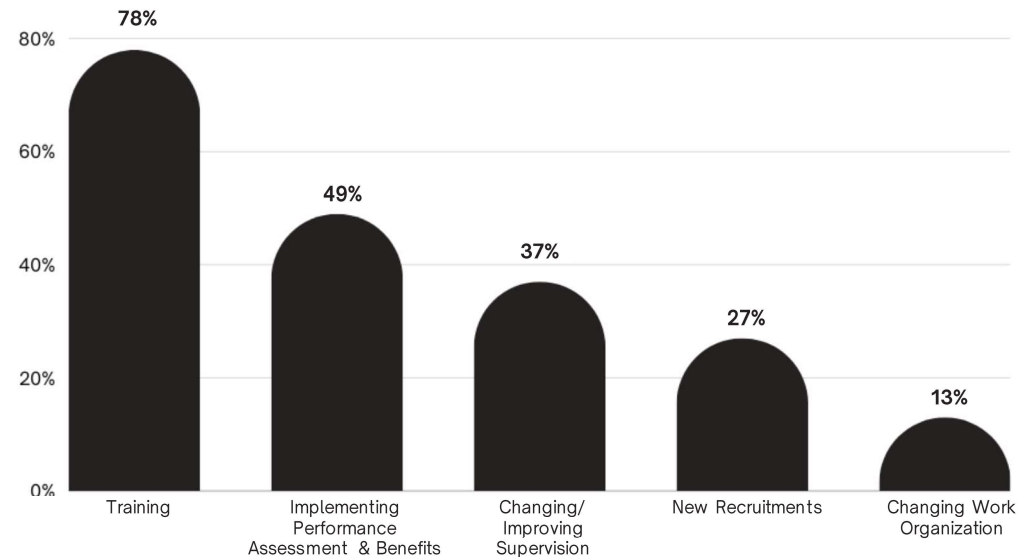


What steps are taken by the enterprises to increase proficiency among its employees?

The Top 3 steps to manage skill-gaps in-house:

- Training employees (78%)
- Implementing assessment and benefits (49%)
- Changing the supervision (37%)

Number of Companies



Creating more relevant educational curricula, training employees to build the skills and knowledge Africa needs, linking talent with job opportunities, and empowering entrepreneurs will enhance the continent's workforce and produce next-generation leaders.

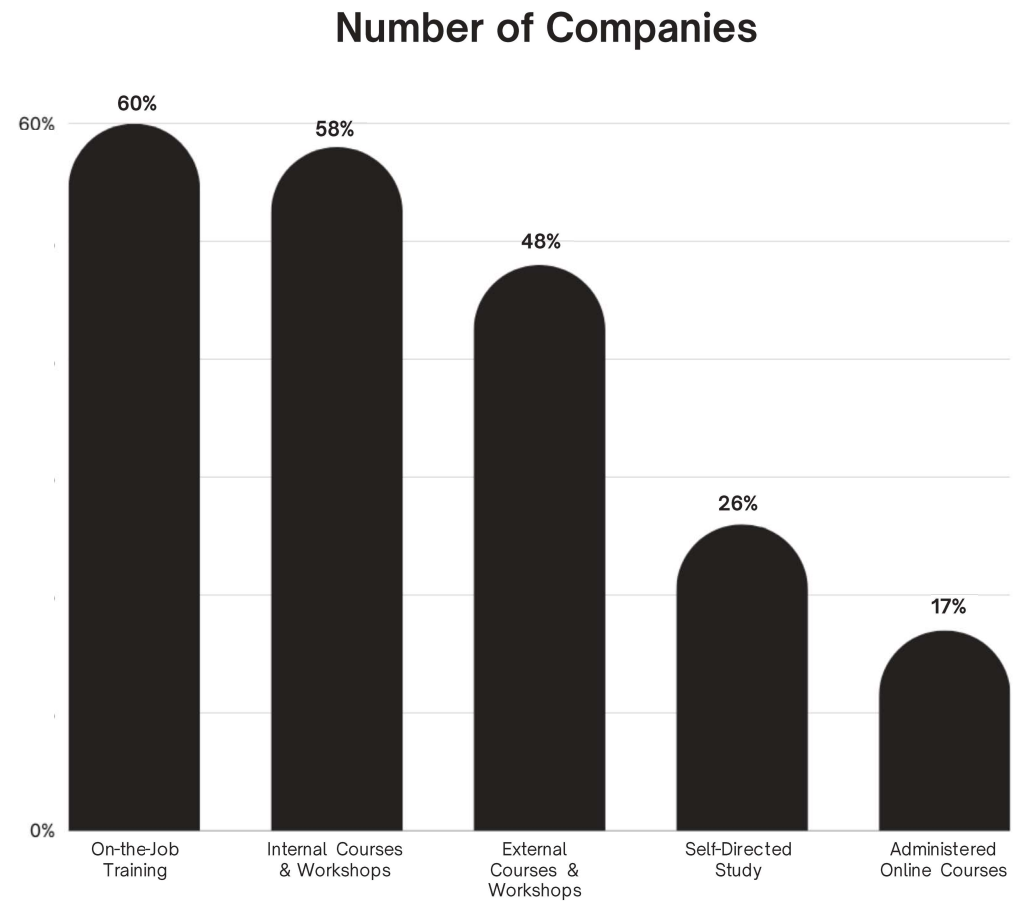
Mckinsey & Co. (Reimagining economic growth in Africa, June 2023)



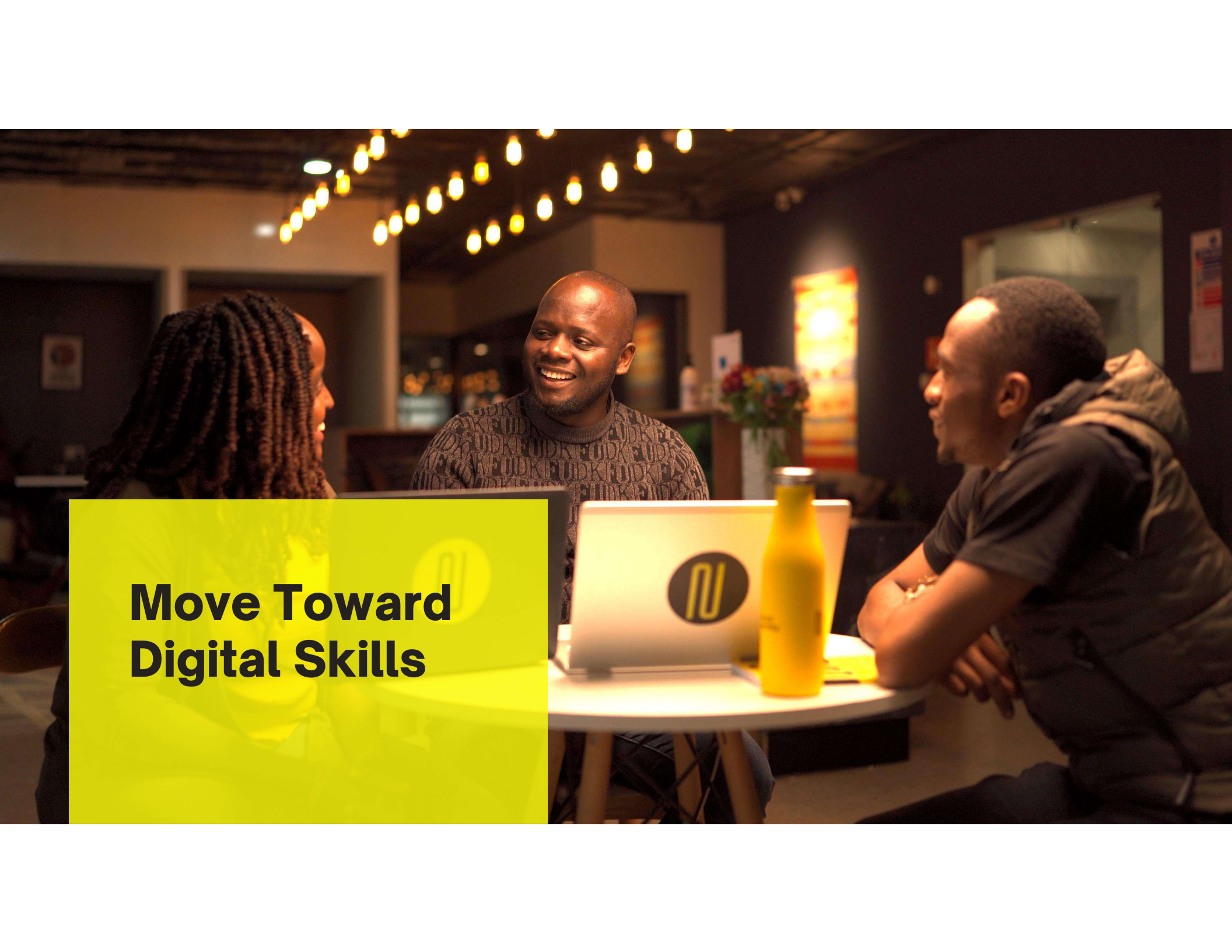
72% organizations feel that imparting training to its existing employees has successfully bridged the skill-gaps.

What sort of training is preferred by the companies to upskill the employees?

- 60% of companies consider “on the job-training” as the best means to upskill their employees
- 58% companies prefer Internal courses, workshops and seminars
- 48% companies prefer external courses



Nearly 1 in 2 organizations prefer to take external help to train their employees.



**Move Toward
Digital Skills**



According to a 2022 report by the Kenya Association of Manufacturers, **businesses that embraced digital tools witnessed a remarkable 75% increase in productivity**. The Kenya National Skills Development Survey further revealed that a staggering 60% of companies consider digital skills crucial for maintaining a competitive edge in the market. Moreover, the International Data Corporation (IDC) reported a **40% reduction in operational costs for companies that invested in comprehensive digital skills training programs**. Cultivating a digitally proficient workforce not only results in immediate gains in productivity but also the long-term financial benefits of the organizations.

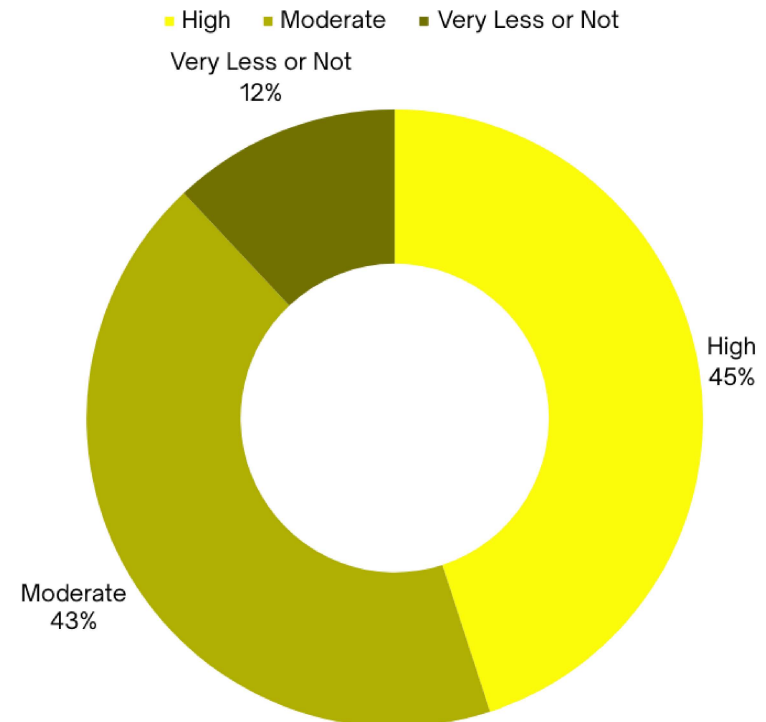
Digital skills will be important to develop among the continent's young talent, especially since companies around the world, particularly in countries with aging demographics, will increasingly turn to Africa as a source of talent.

Mckinsey & Co. (Reimagining economic growth in Africa, June 2023)

How confident are companies with their ICT competency?

- 12% of organizations believe that they are not yet competent with ICT skills
- 43% of organizations believe they are moderately competent

Confidence in ICT competency



55% of the organizations are low on confidence when it comes to their competencies with Digital skills.

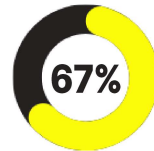


Green Shift

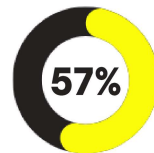


Kenyan organizations are increasingly aligning with global sustainability goals, evidenced by a 30% increase in eco-friendly practices and a 20% reduction in carbon footprints. Social responsibility initiatives addressing gender equality and community well-being have also risen by 25%. However, there's room for growth. To advance further, businesses must invest in renewable energy, deepen eco-friendly initiatives and enhance social responsibility by fostering diversity and engaging in community projects. This commitment not only meets regulatory demands but also positions businesses as ethical leaders contributing more comprehensively to global sustainability goals.

How are companies responding to the green shift imperatives?



Companies that are planning to become more eco-friendly.



Companies have made concrete changes because of green shift.



Companies get affected by climate & environmental standards



Companies either develop or adapt products or services used for the green shift



Companies believe that demand for their product will increase due to green shift



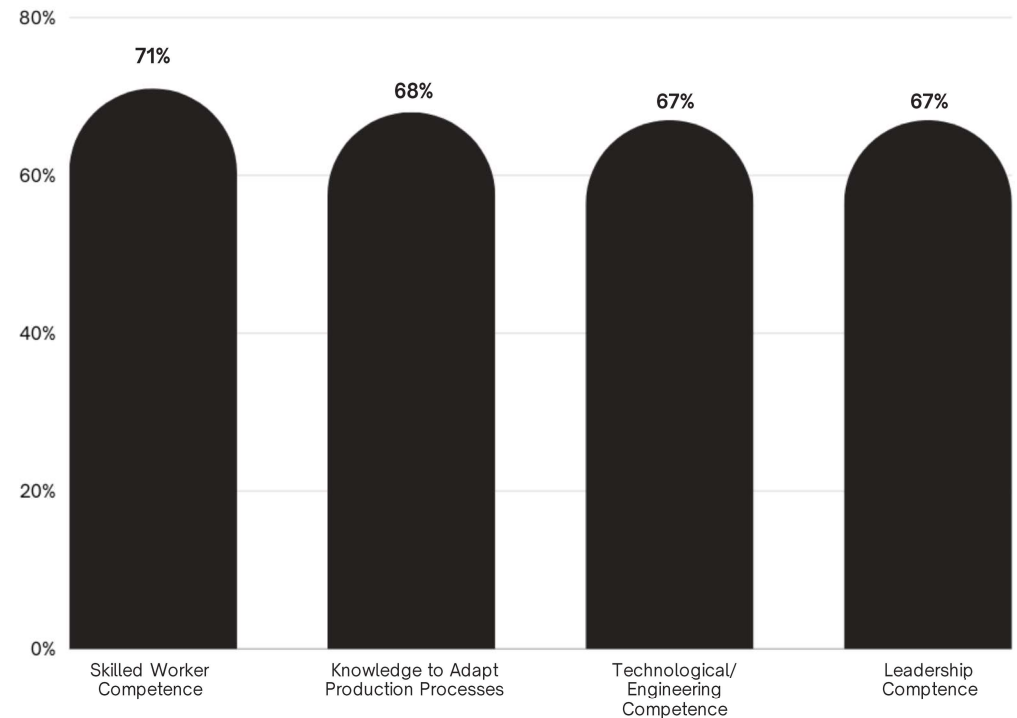
The Green Shift is real and a majority of organizations in Kenya are taking active steps towards it.

What competence is required for the green shift?

To make the Green Shift happen:

- 71% of the organizations believe that there will be an increased need for skilled worker competence
- 68% of the organizations believe that there will be an increased need to adapt the production process with the changes in climate standards
- 67% of the organizations believe that there will be an increased need for technological/engineering & leadership competence each.

Number of Companies



Environmental Data Analytics, Digital Tools for Environmental Monitoring and Renewable Energy Expertise are some of the key skills that enterprises will require to make a successful green shift.

Upskilling drives organizational performance

76%

of job seekers find a company more appealing if it offers additional skills training

72%

[of organisations](#) say they gain a competitive advantage by investing in digital learning.

42%

[of companies](#) enjoy an increase in profits after investing in digital learning

Companies that offer comprehensive training programs have

218%

higher income per employee than companies without formalized training.

Companies that invest in L&D enjoy a

24%

higher profit margin than those who spend less on training

Every dollar invested in online learning results in

\$30

worth of productivity





Annexures



Nexford's Programs for Kenya Skill Gaps

Key Skill Gap	Nexford's Program
Computer/Software Engineering	Meta Android Developer Professional Certificate Meta Back-End Developer Professional Certificate Meta Front-End Developer Professional Certificate Accelerated IBM Back-End Developer Professional Certificate IBM Front-End Developer Professional Certificate Accelerated IBM Full Stack Software Development Professional Certificate
Digital collaboration on platforms	Fundamentals of Digital Transformation Digitizing Product Management
Cyber and Digital Security	MBA in Cybersecurity MSc in Digital Transformation Fundamentals of Cybersecurity Course Cybersecurity Leadership Course
Effective Communication	Essential Skills Certificate Professional Communications Course Information Visualization & Communication Course
Critical Thinking	Essential Skills Certificate Problem Solving & Critical Thinking Course

Research Methodology

The survey targeted enterprises that are members of the Federation of Kenya Employers. The enterprises span across different sectors of the economy and operate across the country but are clustered in four regions i.e., Nairobi, Coast, Western and Rift Valley regions for administration purposes. A total of 521 enterprises participated in the study. Majority (58.3%) of the enterprises who participated in the survey are located in Nairobi.

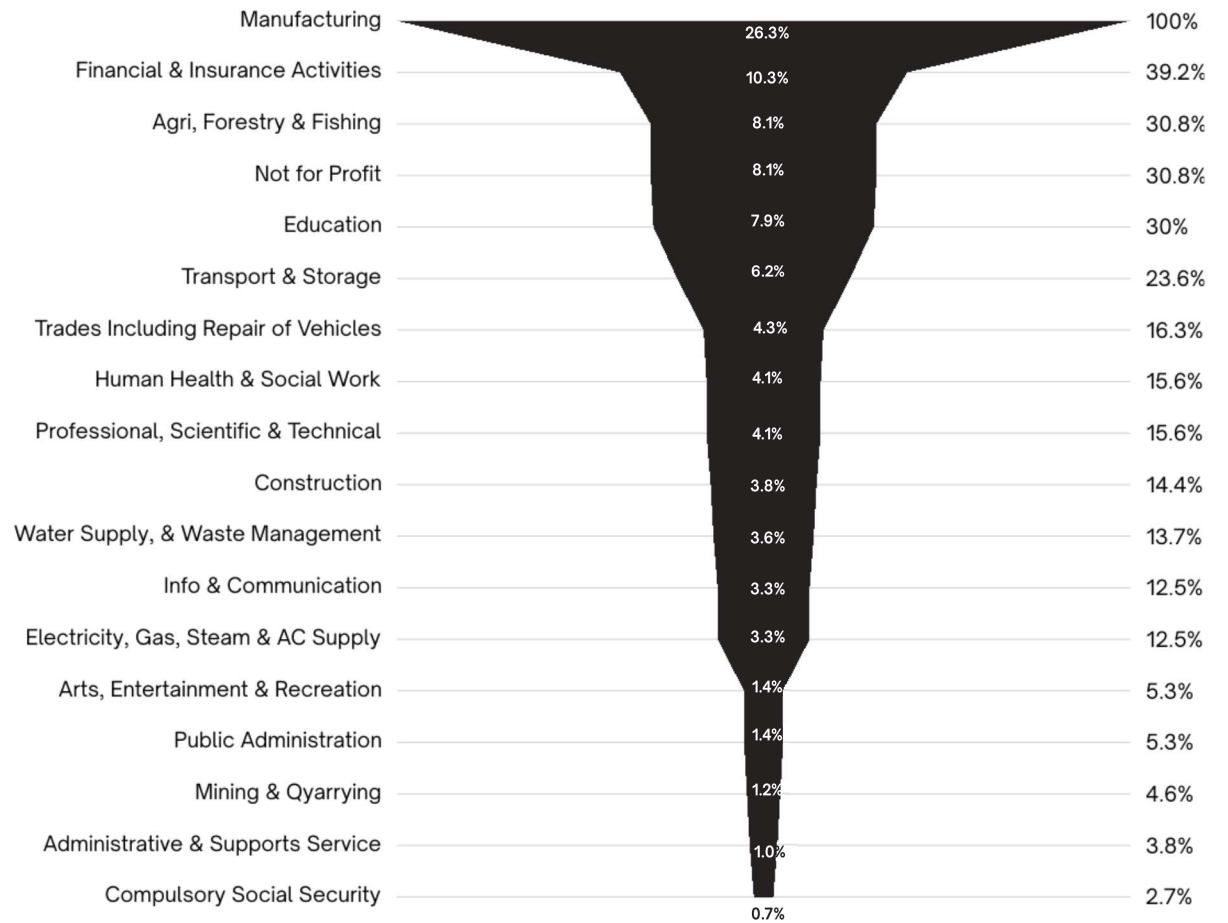
Primary data was collected through administration of a questionnaire with both close-ended and open-ended questions to the members of the Federation. The questionnaire was administered physically and online where links to the questionnaires were shared with the respondents.

This summary report includes data and insights curated by Nexford University in supplement to survey results, including all slides with Global statistics.



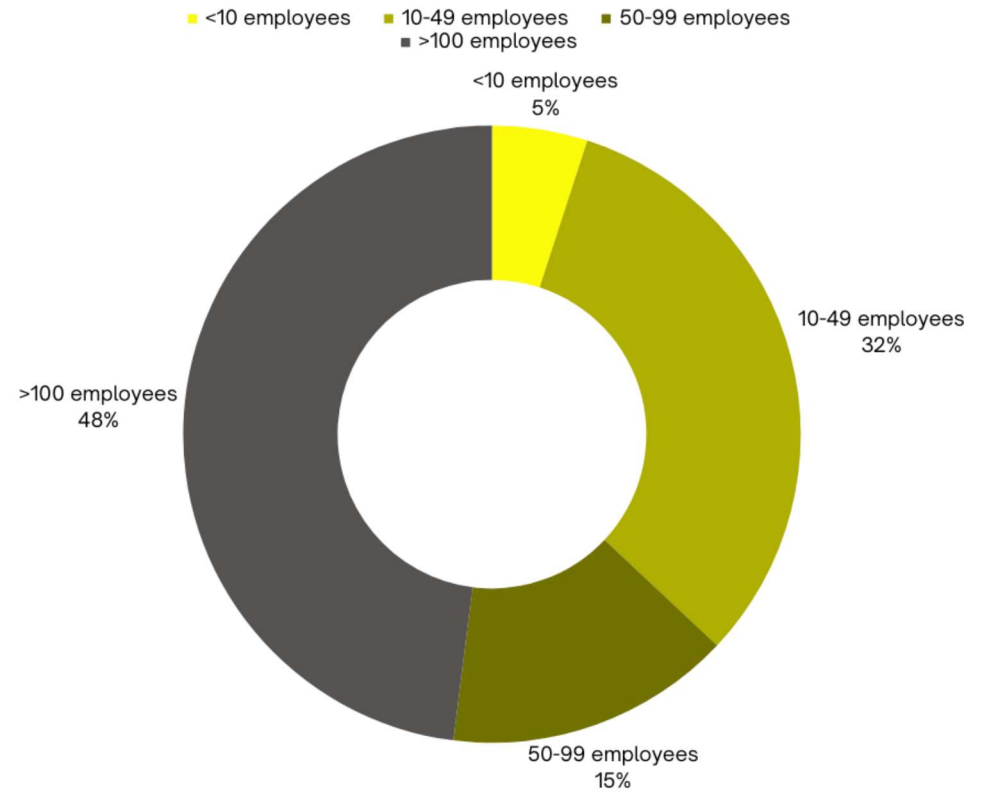


Distribution of the Organizations Surveyed by Economic Sector



Distribution of the Organizations Surveyed by Economic Sector

- 48% of companies were large-scale enterprises
- 15% were medium-scale enterprises
- 37% were micro and small enterprises





Some of the Organizations Surveyed





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