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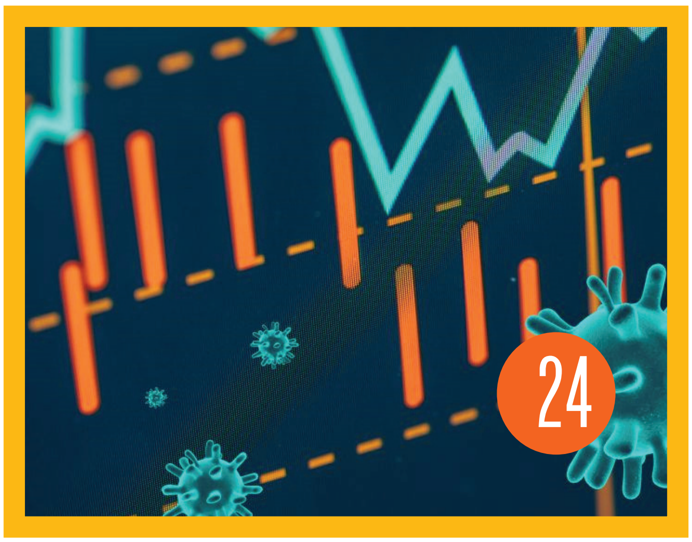

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September 2020

KMRC
KENYA MORTGAGE REFINANCE COMPANY

Unlocking Liquidity for Affordable Housing

AFFORDABLE *Home* – LOANS –

powered by KMRC

Who

KMRC was established in April 2018 through a Public-Private Partnership (PPP) arrangement and incorporated under the Companies Act 2015 as a non-deposit taking financial institution under the supervision of the Central Bank of Kenya (CBK).

BIG 4 AGENDA

KMRC's Mandate

To provide long term funds to primary mortgage lenders (Banks, Microfinance Banks & Saccos) in order to increase the availability and affordability of home loans to Kenyans.

KMRC's alignment with the Government's Big 4 Agenda

KMRC's mission is aligned with the Affordable Housing Pillar of the Government of Kenya's Big 4 Agenda. Its support to the affordable housing is mainly on the demand side by providing long-term funds to participating banks, micro-finance banks and Saccos to on-lend to wananchi.

Strategic Objectives

- To provide long term financing to Primary Mortgage Lenders (PMLs)- Banks, Microfinance Banks and Saccos
- To promote improvement in mortgage lending practices in Kenya
- To raise long term finance efficiently and sustainably
- To support developments in the housing market

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EDITORIAL

The Changing World of Retirement

When you're young and just getting your life established, chances are good that your income isn't huge and there are lots of demands on it. You may have student loans to repay, dreams of buying a house, plans to start a family, or a desire to see the world. As such, setting aside a whole bunch of cash in a retirement account probably isn't at the top of your list - especially since retirement is so far away.

First, there's the bad news. The reality is that changes in the retirement landscape mean that young people will need to save more than their parents and grandparents did. That's because the other two legs of the retirement planning stool, Social Security and pensions, are not as reliable as they used to be.

Yes, retirement may be a long way off and feels even longer for someone just starting their working years, but there are a couple of reasons that retirement planning is particularly important for young people.

In our July issue, we cannot emphasize enough on the importance of saving for retirement. While money doesn't grow on trees, it can grow when you save and invest wisely. Knowing how to secure your financial well-being is one of the most important things you'll ever need in life - you just need to know a few basics, form a plan, and be ready to stick to it. The primary way to achieve this is through disciplined saving, and investing these funds to grow by gaining interest and returns.

While you make choices on retirement and best pension plan, remember that being ready to retire means more than being ready to stop waking up at 6:00 a.m. to put in long hours at a job you're not thrilled about. If it were that simple, most of us would retire at 25. What it really takes to retire is a solid grasp of your budget, a carefully considered investment and spending plan for your life savings, debt that's under control, and a plan you're excited about for how you'll spend your days. With that in mind, there's a good chance you will live a long time, so it only makes sense to take steps to live long, live well and happy.

Jackline Mukami | Editor
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Old-Age Income Support in the 21st Century

People are living longer than at any time in history as a positive result of advances in technology, medicine, environmental and socio-economic conditions.

BY MURIITHI NDEGWA

The world's population is aging - virtually every country in the world is experiencing growth in the number and proportion of older persons in their population. According to research from *World Population Prospects: the 2019 Revision*, by 2050, one in six people in the world will be over age 65 (16%), up from one in 11 in 2019 (9%). The number of persons aged 80 years and above is projected to triple, from 143 million in 2019 to 426 million in 2050.

Trends in Population Ageing

Population aging is poised to become one of the most significant social transformations of the twenty-first century, with implications for nearly all sectors of society – including labor and financial markets, the demand for goods and services, such as housing, transportation, and social protection, as well as family structures and intergenerational ties.

Governments can no longer afford generous state pensions and are shifting more responsibility to individuals and their employers. Employers are also finding that they can no longer balance the sums. It is now employees who bear most of the risk for retirement – a big change from previous years when most could rely on the employer and the state to guarantee a comfortable old age.

Not surprisingly, given the pace and scale of change, attitudes are shifting. More people are working beyond the usual age for retirement; they are taking up part-time jobs, creating second careers and even combining work with leisure. For many, it is a brave new world, the result of one of the 20th century's great triumphs – the extension of human life expectancy.

Pension Schemes in Kenya

Kenya has different types of retirement schemes that one can enroll in. Besides the statutory scheme, the National Social Security Fund (NSSF), retirement schemes can be classified as either individual (set up by an individual to make contributions on his/her own behalf towards saving for retirement) or occupational schemes (set up by an employer who makes contributions on behalf of their employees for the provision of retirement benefits).

According to Retirement Benefits Authority (RBA) Industry Report, since the enactment of the Retirement Benefits Act, the industry has experienced remarkable growth in terms of assets under management. The pension assets stood at Kshs 1.245 trillion and 13.2 percent of GDP as of June 2019.

Globally, assets in Retirement Benefits Schemes totaled 50.7% of GDP in the OECD countries and 19.7% of total GDP in the non-OECD jurisdictions. This is according to the Organization for Economic Co-operation and Development (OECD 2017).

Why take a Pension Plan?

Your road to financial freedom begins with a retirement savings plan. Besides serving as one of the most secure forms of saving, other benefits include (i) Regular income to replace earnings in retirement, (ii) Provision of lump-sum benefit income for surviving dependents in the event of one passing on, (iii) Retirement Benefits Schemes separate members' retirement benefits assets from the Company's assets (v) Tax reliefs such as income tax relief on employee contributions and reduction of poverty in old age.

What to Look Forward to

Given that pensions are based on levels of contributions through the life course, understanding the current trends in occupational pensions will help to shape the 21st-century solution to aging societies. This will also enable policymakers to identify why under-saving may occur and inform policy measures.

The Covid-19 pandemic should also serve as a wakeup call on why we should save and plan in advance. During this period, there is a great need for flexibility in terms of retirement savings. One can revise down their contributions or temporarily suspend contributions if they no longer have an income during this period.

Muriithi Ndegwa OGW, HSC, FKIM, *Executive Director/CEO, Kenya Institute of Management.*
Email: mndegwa@kim.ac.ke

Coronavirus COVID/19

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PROTECT YOURSELF & OTHERS

What it is?

Coronaviruses are a large family of viruses that affect the respiratory system. Symptoms of **COVID/19** infection range from respiratory problems, to cases of pneumonia, kidney failure and a buildup of fluid in the lungs.

What are the symptoms?

Ways to prevent infection

- Wash your hands regularly with soap
- Use alcohol-based hand sanitizers often after touching surfaces
- Cover your cough or sneeze with a tissue or a handkerchief
- If your unwell and you have symptoms such as dry - cough, fever, shortness of breath and fatigue, contact a medical professional immediately
- Wear a mask if your unwell or taking care of a sick person

- Avoid crowds or gatherings and keep a distance
- Keep your distance from other people when talking or queuing

Beware of misleading health advice

Garlic - The WHO (world health organization) say that while it's a healthy food that may have some antimicrobial properties, there's no evidence that eating garlic can protect people from coronavirus

Home-made hand sanitiser - For cleaning surfaces, the US Centers for Disease Control & Prevention (CDC) says most common household disinfectants should be effective

Drinking water every 15 mins - Infections like coronaviruses enter the body via the respiratory tract when you breathe in. Constantly drinking of water isn't going to prevent virus

Miracle minerals MMS - Health authorities in many countries have issued alerts about it. The FDA says " it's not aware of any research showing that these products are safe for treating illness

Drinkable Silver - Colloidal silver is tiny particles of the metal suspended in liquid. The US health authorities advice that there's no evidence this type of silver is effective for any health condition

AFRICA: Industry Lobby the U.S. Government to Make Africa Backslide On Plastics

BY HELLEN DENA

The American Chemistry Council has lobbied the US government during the COVID-19 pandemic to use a US-Kenya trade deal to expand the plastics industry's footprint across Africa. Documents obtained by Greenpeace's investigative journalism platform, through the Freedom of Information Act separately show that the same lobby group, which counts Shell, Exxon, and Total among its members, also lobbied against changes to the international Basel Convention, which put new limits on plastic waste entering low and middle income countries.

"Africa is at the forefront of the war on plastics, with 34 out of 54 countries having adopted some regulation to phase out single-use plastic," said Fredrick Njehu, Greenpeace Africa Senior Political Advisor. "The Kenyan government should not backslide on the progress made in its plastic-free ambitions by folding to pressure from fossil fuel giants, because it stands to derail the progress made across the entire continent."

The ACC wrote to US Trade Representative Officials, stating, "Kenya could serve in the future as a hub for supplying U.S.-made chemicals and plastics to other markets in Africa through this trade agreement." The ACC also calls for the lifting of limits placed on the plastics waste trade, which experts believe would circumvent the new Basel Convention rules.

In a separate letter to the Chairman of the US International Trade Commission, the ACC states that the trade agreement will be an "important model" for other African states. The letter reads, "With this foothold, the United States can play an influential role in shaping trade policy across Africa," and that it will enable the US to "build a platform for U.S. chemical manufacturers to expand exports to enter new growth markets throughout sub-Saharan Africa."

The efforts by the ACC would undo progress that Kenya and other African states have made to address plastic pollution. Kenya passed one of the toughest laws on the production, sale, and use of plastic bags in 2017, and recently expanded on it to outlaw plastics in protected areas.

"Kenya has made great strides to reduce plastic pollution - there is a ban on the use and manufacture of single-use plastic carrier bags and recently a ban on plastic in protected areas. This trade deal could turn Kenya into a dumpsite and diminish what the country has achieved. We are petitioning the Ministry of Trade to say no to this deal," continued Njehu.

Oil companies, including Shell, Exxon, and Total - alongside consumer goods companies like PepsiCo and Procter & Gamble, are members of the industry's Alliance to End Plastic Waste, which has committed to spend $1 billion toward waste management efforts to prevent plastic pollution in places like Africa and Asia. Despite these public commitments, the ACC, which represents some of these companies, argued in the documents that such infrastructure will require continued plastic exports because a circular economy requires ample feedstock. The ACC told Unearthed that they were concerned about how the restrictions could impede exports from low and middle income countries to those with more infrastructure capacity.

Source: allafrica.com

Original article on

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Race for Covid-19 vaccine: Will Emerging Economies lag Behind?

Economies and societies cannot fully return to "normal" until we have a safe and effective vaccine.

BY MANAGEMENT MAGAZINE

As several countries face a second wave of outbreaks of COVID-19, many emerging markets are pinning their hopes on a vaccine that will allow them to reopen their economies with confidence without fear of overwhelming health services. Even as science and research progress, governments, CEOs, and the public are all asking how to speed up development, finance late stage development, finance and manage the scale up of manufacturing, and prioritize doses in a supply-constrained environment, with the goal to interrupt global transmission.

With more than 22 million people infected worldwide by July, it is becoming increasingly clear that a vaccine is needed to bring societies and economies back to normal. Currently, researchers around the world are working on more than 150 different vaccines, 26 of which are already being tested in humans. The problem presents an interesting conundrum for emerging markets, amid concerns that many may lose early access to vaccines to richer countries.

At the end of July, the US government announced that it had signed a $2 billion contract with the US multinational Pfizer and the German company BioNTech to develop 100 million coronavirus vaccines before the end of the year, while in June Germany invested 300 million euros, a 23% stake, in local shares, the biopharmaceutical company CureVac, which is working on a COVID-19 vaccine. Meanwhile, China has also invested heavily in several domestic companies, and international media reported that it had spent around $140 billion on measures to combat the virus, including the development of treatments and vaccines.

Testing moves forward

Some emerging markets have sought to position themselves favorably for vaccine access by collaborating with international pharmaceutical companies on testing.

In the Middle East, Saudi Arabia, the UAE, and Bahrain have begun clinical testing for a virus vaccine in cooperation with Chinese companies. The third-phase testing of the potential vaccine will see around 5000 adults in each country take part in the trial.

In Asia, Indonesian state-owned company Bio Farma has partnered with China's Sinovac to conduct phase-three vaccine trials in West Java, while local health giant Kalbe Farma is teaming up with South Korea's Genexine for phase-two testing of the company's vaccine. In addition, a national consortium under the Ministry of Research and Technology has begun working on a longer-term,

Many emerging markets are pinning their hopes on a vaccine that will allow them to confidently reopen their economies without the fear of overwhelming health services.

self-sufficient strategy to develop its own vaccine.

Efforts are ongoing to find a vaccine, but we have also seen more immediate results in several countries in areas like ventilator development and diagnostic testing reagents.

Beyond vaccine diplomacy

The ability of emerging markets to develop working relationships with leading medical research nations is seen as key to gaining access to future vaccines. For instance, China has indicated that it would give the Philippines priority access to any vaccine that it develops.

The importance of strong ties with wealthier countries comes amid concerns that they may outbid emerging markets once approved solutions enter the market, leaving lower-income nations at the back of the queue.

The World Health Organisation (WHO) has warned against so-called "vaccine nationalism", noting that – given the interconnected nature of the world economy – it would be in the general interest to share the benefits of any potential vaccine. To avoid such a situation, an international coalition of organizations has developed the COVAX Facility, a mechanism designed to provide rapid, fair, and equitable access to Covid-19 vaccines globally.

The initiative involves high- and middle-income countries financing vaccines through their own public budgets, then teaming up with lower-income nations to provide support in the form of voluntary donations to the COVAX Advance Market Commitment, run by Gavi, the Vaccine Alliance. So far 75 countries have expressed interest in funding the initiative, which would benefit 90 lower-income nations.

The goal is to deliver 2bn doses of approved vaccines by the end of next year. Under the plans, they would be delivered equally to all participating nations, proportional to their populations, and would initially prioritize health care workers.

What now?

The implication of this for investors is clear: track vaccine allocation closely and be ready for the epidemic to last much longer in those emerging markets that are unable to secure or administer the vaccine widely.

For governments and development institutions, the implications may be less obvious but are equally important. There is no way that we, as a human community, can achieve globally equitable vaccination outcomes without data about who can make what and who had purchased what from whom. Even for seasonal influenza, data on vaccination production and distribution is very difficult to find. Whether it's the WHO, the research arm of a development finance institution, or an academic institution, compiling and accurately maintaining this data will be critical to ensure that developing countries are not left behind in the Covid-19 endgame.

African countries, in particular, will need to have in place the right systems and infrastructure to define the regulatory and ethical pathways for quick approval of a candidate vaccine. They will need to have logistics and supply chain systems that can reach not only the traditional target populations for routine immunizations and campaigns but be ready to vaccinate a much larger target population.

E-mail: management@kim.ac.ke

Team from Bidco Africa celebrate after scooping wins at the 2019 Company of the Year Awards.

Robert Burale was the emcee at the 2019 Company of the Year Awards held at the Radisson Blu Hotel, Nairobi.

A trophy display for 2019 COYA.

Part of KIM staff enjoy fun moments at the 2019 COYA gala dinner.

A section of delegates at the 2019 East Africa Managers conference held at Hotel English Point in Mombasa.

Former Tusker Project Fame Principal Hellen Mtawali performs at the KIM 2019 graduation ceremony.

Catherine Musakali, Founder of Women on Boards Network address delegates at the 2019 Women in Leadership Conference held at Hotel English Point, Mombasa.

Delegates attend the KIM East African Managers Conference in Mombasa.

Pandemic Worsens Kenya's Unemployment Prospects in Q2

BY WANDIRI GITOGO

Kenya's quarterly labour force survey for the second quarter shows that the youth continue to suffer from unemployment and underemployment. The survey analyzed the labour market situation for the population aged 15 to 64 years for the period from April to June 2020.

In the second quarter, unemployment rose to 10.4% compared to 5.2% registered in the first three months of 2020. The statistics coincide with the Covid19 led lockdown, that has seen firms downsize and send employees on voluntary leave.

The highest proportion of the unemployed was recorded in the age groups 20-24 and 25-29 registering 22.8% and 21.7% unemployment rate respectively. Furthermore, the two age cohorts had the highest increase each in unemployment over the three months at 10.1% and 14.3% respectively.

In addition, the quarter saw a rise in unemployed persons to 4.6 million from 2.9 million in Q1. This saw the combined rate of unemployment and potential labor force rise to 22.6% from 14.3% in the first quarter of the year. The unemployment rate in the second quarter of 2020 has doubled from the 4.7% recorded in the second quarter of 2019.

According to the Kenya National Bureau of Statistics (KNBS), the unemployment rate was also higher than the 4.7 percent registered between April and June 2019.

"The highest proportion of the unemployed was recorded in the age groups of 20-24 and 25-29, each registering over 20 percent. The same age groups also had the highest increase of over 10 percent each in unemployment over the three-month reference period," KNBS said in its quarterly labor force survey (QLFS).

The report indicates a significant impact of the COVID-19 pandemic on both unemployment and underemployment.

KNBS said that the labor underutilization (LU2), which is the combined rate of time-related underemployment and unemployment more than doubled to 17.2 percent in the second quarter compared to 8.3 percent recorded in the previous quarter.

The findings show that the number of people who were time-related underemployed increased from 577,443 in the first quarter to 1.19 million in the second quarter with the highest rate of labor underutilization being observed in the age group of 20-24 at 32.7 percent.

The labour force participation rate in the quarter 2 stood at 64.4% down from 67.9% recorded in Q1.2020 and down from 69.7% registered in a similar period last year. The employment to population ratio in the country, for the working age population, was down 8.8 percent to 57.7% in the quarter compared to 66.5% in a similar quarter last year.

Labour force participation rate measures the proportion of a country's working-age population that engages actively in the labour market, either by working or looking for work.

The Labour Underutilization which is the combined rate of time-related underemployment and unemployment more than doubled to 17.2 per cent in quarter 2 of 2020 compared to 8.3 per cent recorded in the previous quarter. The number of people who were time related underemployed increased from 577,443 in quarter 1 of 2020 to 1,199,602 in quarter 2 of 2020.

The latest statistics indicate a significant impact of the COVID19 pandemic on both unemployment and underemployment.

Source: Kenyan Wall Street

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- Elements of Commercial Law
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- Practice of management
- Fundamentals of Book Keeping and Accounting

YEAR I MODULE II

Item	Kshs
Tuition per unit	35,000 @ 5,000
Administration	4,500
Examinations	8,000
Membership	1,500
Attachment	3,000
Total	**52,000**

Units:
- Criminal Procedure
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- Civil Procedure
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- Public Relations Management
- Industrial and labour laws
- Insurance Law

YEAR II MODULE I

Item	Kshs
Tuition per unit	35,000 @ 5,000
Administration	4,500
Examinations	8,000
Membership	1,500
Attachment	3,000
Total	**52,000**

Units:
- Attachment
- Research project

YEAR II, MODULE II

Item	Kshs
Convocation	4,000
Research Fee	6,000
Total	**10,000**

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How Millennials are changing the Retirement Conversation

Millennials are departing from the traditional notion of retirement to adapt to the changing financial landscape and realities

BY JACKLINE MUKAMI

For anyone entering the job market for the first time, retirement may feel more like a pipe dream than a realistic goal. This is especially true for millennials and Generation Z (ages 18 to 23).

Saddled with student loans and credit card debt, this age group is hamstrung by the second recession in their lifetimes, wage stagnation, and the aftermath of the 2008 financial crisis, according to a report from the Brookings Institute that outlines their financial challenges. Many of them also have another huge financial burden: caring for their young families as well as aging parents who are living well into their 80s and 90s.

According to the report, millennials are more likely to expect to be doing some form of work in retirement. And unlike their parents' generation, many millennials expect their primary source of retirement income to be self-funded through retirement accounts like (401(k)s, IRAs, or other savings and investments—the very same accounts that a third of them have tapped into this year.

The median retirement savings for millennials today is $23,000, compared to $144,000 for baby boomers and $64,000 for Gen Xers, according to the study.

To add to that, since the onset of the coronavirus pandemic, according to various surveys, one in three millenials have fallen further into credit card debt. The sudden spike in unemployment, coupled with millions of the youth already living on just enough to get by, has forced many to turn to credit cards to afford necessities.

Retirement isn't what it used to be

In previous generations, people punched the clock at one company for however many years, looking forward to the gold watch and pension that they'd receive upon retirement.

With a few exceptions, pensions have joined the ranks of the dinosaurs: extinct. Now, the way of planning for retirement has to be altered to match the changing financial landscape. Millenials have proven to be able to adapt to these changes better than anyone may have expected.

Advantages millenials have as they save and invest for retirement

Relative to previous generations, millennials as a group are more educated than any previous generations, which should translate into significantly greater earning potential.

A second potential advantage, but in the end it turns out to be a double-edged sword; millennials as a group are healthier and thus should be able to work until a more advanced age than previous generations. That, in turn, should enable them to save and invest more for their retirement. The double-edged sword is that millennials are also likely to live longer than previous generations, and thus must fund a longer retirement. These two effects could very well cancel each other out.

Challenges facing Millenials

One of the major challenges facing the millennials is that their careers have gotten off to a rocky start because of the financial crisis and the ensuing slow recovery over the subsequent few years. As a group, therefore, they are not exploiting the full potential of the theoretical advantage afforded them by their greater educational attainment.

To a greater extent than prior generations, millennials will also be employed in "contingent jobs"—the gig economy—that provide little or no automatic enrollment in, or contributions to, any retirement programs. Partly because of these first two disadvantages, and also because they have more student debt than prior generations, millennials have lower net worths than previous generations.

Stop, drop, and roll with the punches.

There is a movement that's sweeping the personal finance world called FIRE, or Financial Independence Retire Early. By taking their finances into their own hands at an early age, the FIRE movement has the millennial generation aiming to retire as young as 30 or 40.

While some like to focus on millennials' fascination with avocado toast and think of it as their financial downfall, there are so many things that this young generation is doing right that makes me confident in their financial future—even more so than generations before them.

The younger generation is cutting spending and making far less frivolous purchases than their predecessors. They are more savvy consumers and are less provoked into spending money on material goods.

Also, they are erasing the stigma of living with their parents. Formerly seen as a failure to launch, staying in their parents' home after graduation is now widely viewed as a smart financial decision, especially for those millennials with student loans.

By spending less and avoiding large mortgages—among other factors—to FIRE becomes a realistic goal.

Taking sabbaticals

Millennials are doing something previous generations never would have considered: structuring their lives to include breaks—perhaps even mini-retirements.

It's not uncommon now for someone to quit their job and spend six months or a year just traveling. When they return, they simply find another job. Millennials have perfected the art of the side hustle and no longer hitch their wagons to an employer, so they've given themselves a permission slip to take time off and balance their working lives with their personal lives.

Retirement investing options

Defined benefit pension plans used to be a mainstay for workers. With pension plans, employers managed the investments for employees who could expect a monthly payment after they retired for as long as they lived.

But by 2017, only about 18% of private-sector workers had access to a pension. Today, a majority of workers participate in contribution plans, primarily through 401(k)s, for which they need to have personal payroll deductions invested for their retirements.

Employers often offer employees a matching contribution, meaning that the employer contributed to the employee's retirement fund up to a certain percentage of their income. Contributions made by employers are essentially free money for employees.

Employees can save for retirement outside the context of an employer-sponsored 401(k), too. Individual retirement accounts or IRAs are similar to a 401(k), but anyone can open one. Like a 401(k), you can contribute pre-tax money and select investments based on your risk tolerance and time horizon.

Gig workers, freelancers need to save

One of the most notable changes that millennials are making in the corporate world is this idea of free agency. While previous generations often worked for one company for their entire careers, millennials are much more prone to changing jobs and chasing higher pay, better benefits, and greater flexibility.

According to a report by the ADP Research Institute, there are 6 million more gig workers today than a decade ago. As millions continue to file for unemployment amid the fallout from the Covid-19 pandemic, some companies are hiring more remote freelancers.

However, gig work is notorious for its lack of benefits. Just a very small percentage of independent workers have retirement savings. Entrepreneurs and gig workers both need to open Roth IRAs if they can. This is because they offer tax advantages and there are also no penalties if you withdraw contributions early and need to tap into some cash. However, it is important to note that you could face penalties if you withdraw earnings early.

Millennials as a generation have had multiple setbacks, but that shouldn't keep them from reaching their full financial potential, through financial education and advisory services.

The next sandwich generation

Generation X is referred to as the "sandwich generation," caring for their children as well as aging parents. And as medical expenses continue to increase, this generation is feeling the squeeze.

Gen Z faces a similar predicament. Advances in science and technology will prolong the life of their parents, while most will start families at a later stage in life compared to previous generations.

Adult-aged children should talk to their parents about how they will care for them in the future. The younger generation should also ask how much their parents can contribute to raising their children. The most important thing is to start the conversation.

Unsurprisingly, according to research by CNBC, baby boomers are the most confident they will receive some income from Social Security, with 83% counting on it. That number drops as generations get younger, with 64% of Generation X, 42% of millennials, and just 38% of Gen Z planning to depend on the benefits.

Prepare for a different type of retirement

Millennials are getting more and more used to the idea of working through retirement. This could be by gradually reducing hours, retraining, or monetizing a hobby as we near traditional retirement age, or just taking on the projects and jobs you want to supplement your income.

But these secondary income strategies are just that - auxiliary sources that support the mainstream. The more we can save now, the less we will have to worry about plugging the gaps later on.

Setting up a portfolio with enough income streams from uncorrelated assets and the ability to pay out regularly, while maintaining the opportunity for further growth is key.

***Jackline Mukami** is the Editor at Management Magazine | E-mail: jmukami@kim.ac.ke*

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Ways Coronavirus Will Drastically Alter Boomer Retirements

The current pandemic and its economic consequences could devastate the retirement prospects of some Baby Boomers

BY JACKLINE MUKAMI

Eventually, the economy and the stock market will recover and COVID-19 will be contained. However, the current pandemic and its economic consequences could devastate the retirement prospects of some Baby Boomers, while permanently changing the attitudes of many more.

Consider this: After years of hearing how 60 is the new 40, boomers are now being told that those as "young" as 60 have weaker immune systems and face greater risk from the novel coronavirus, particularly if they have certain other health problems that increase with age.

Generally, the Baby Boomers are a diverse group. The majority are still working and plan to stay in the labor force longer, assuming the tanking economy permits it. About a fifth of boomers provide eldercare, either in person or remotely, to a parent or other family member. That means that even if they are relatively healthy, they're on the front lines worrying about the high vulnerability of the very old and frail.

Much will depend, of course, on how severe and prolonged the pandemic is; how long the bear market that began in March lasts. Here are six likely longer-term effects on Boomers' retirements;

1. *Younger boomers will fall further behind*

According to various studies, late boomers (those born in 1960 or later) had accumulated a lot less in 401(k) and IRA wealth than older boomers had at the same age. That's even though fewer late boomers are covered by traditionally-defined benefit pensions, meaning they need to accumulate more, not less, to achieve the same level of retirement security. Late Boomers were on track to save more but got slammed by the Great Recession and layoffs in their 40s. Some dropped out of the labor force. Others settled for lower-paying jobs.

2. *Working longer will get harder*

You've probably heard this factoid: an average of 10,000 boomers turn 65—the traditional retirement age—each day. But the Pew Research Center calculated last July that the Baby Boomer labor force has been shrinking by an average of only 5,900 per day since 2010. That's because while some chose to retire early or were forced out of the labor force early, on average, the Boomers are working longer than the previous two generations did. In 2018, 29% of folks aged 65 to 72 (that is, the oldest Boomers) were working or looking for work. When the Silent Generation and the Greatest Generation were that age, Pew figures, only 21%, and 19%, respectively, were in the labor force.

While lots of Boomers want (or need) to keep working, this harsh fact hasn't changed in recent decades:

when those 50 and older do lose their jobs (say, in the Great Recession or the coronavirus recession), it takes them longer to find new jobs than it does younger workers. Moreover, just one in 10 matches their old pay. Some give up and retire earlier than they planned. Those who claim Social Security early to make ends meet end up with lower monthly benefits and less overall from Social Security than those who claim later.

3. *Panic will doom some Boomers' wealth*

The current market dive is scary, for sure. The stomach-churning volatility that's typical of a bear market has been so severe this time that the drops have triggered multiple automatic trading halts. Eventually, the bear market will end, but not all Boomers will be there to ride the recovery.

The problem with "going to cash" in a crash is that you lock in your losses. Maybe you plan to jump right back in after the market bottoms? Good luck with that.

4. *The Cash bucket strategy will gain new fans*

The current bear market should give a permanent boost to a strategy that was already gaining favor—one designed to allow retirees to live well while the market tanks and to conquer the "sequence of return" risk in retirement. The problem is this: even if the stock market averages a healthy return over the 30 or so years you spend in retirement, you're more likely to run out of money if it has its bad years early in your retirement.

There are multiple ways to deal with the sequence of return risk, but arguably the simplest way is with a cash bucket. For example, someone nearing or in retirement could keep three to five years' worth of money for necessary expenses in cash or cash equivalents. The idea is to have enough cash that you won't panic and can wait for the market to recover before you sell stocks to refill your cash bucket.

5. *Cruises will fall off Boomers' bucket lists*

A recent survey on Boomers' 2020 travel plans showed that they expected to spend an average of $7,800 on four to five trips this year, with 51% planning at least one international adventure, and 23% calling their planned foreign travel a "bucket list" trip.

Assuming their portfolios recover while they're still in the traveling mood, it's hard to believe that retirees will permanently forsake bucket list trips. But it's easy to imagine that the image of passengers trapped on a ship for weeks as the coronavirus spreads among them, might permanently reduce the number planning to hit the high seas.

6. *Family time will be more important*

One item that pops up at the top of many retirement wish lists is spending more time with family and friends; it's the leading reason people say they were "pulled" into retirement rather than being pushed there by ill health, layoffs, or age discrimination.

Being closer to the family also turns up in surveys as the leading reason people move in retirement. It's not hard to imagine the pandemic and related air travel fears will motivate even more Boomers to move nearer to adult children.

Along with the aging of baby boomers comes a lot of data concerning their lack of preparation for their later years.

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Post-pandemic Retirement: Can We Build More Resilient Systems?

Reforming retirement systems is a more urgent imperative globally as the coronavirus pandemic claims jobs and lowers economic growth.

BY JACKLINE MUKAMI

Reforming retirement systems is a more urgent imperative globally as the coronavirus pandemic claims jobs, lowers economic growth and investment returns, and threatens to choke funding for already underfunded pension plans. The pandemic is also hastening the imminent insolvency of the Social Security Trust Fund, according to a recent report by the Penn Wharton Budget Model. In two recession scenarios the report laid out, the trust fund would run out of money in 2032 or 2034 – between two to four years earlier than pre-pandemic projections.

But there is still hope for retirees, if policymakers, employers, and plan sponsors can purge retirement systems of their drawbacks and bring new financial products to fund them, according to a recent research paper by Olivia S. Mitchell, Wharton professor of business economics and public policy and executive director of the School's Pension Research Council. Retirement systems must also provide for the long-term care needs of retirees, and build on recent moves to cover "gig economy" workers or freelancers, part-timers, and temporary workers, her paper stated.

Fixing the 'Accumulation' Stage

For the accumulation stage, Mitchell calls for separating pensions and health care from employment. That would dramatically expand coverage to all citizens, irrespective of whether or not they hold a job. Next, with retirees living longer, they can better fund their golden years if they also delay their retirement and work longer, she wrote. Retirement plans could also be tweaked to incentivize delayed retirement.

The way pension systems are designed also needs reforms. The trend of retirement systems moving away from defined benefit plans to defined contribution plans will continue to gain more traction, Mitchell noted in her paper. Defined contribution plans shift more of the onus of funding pensions to the beneficiaries, instead of saddling employers or plan sponsors entirely with that responsibility. In defined-contribution plans, a worker's contribution is often matched by an employer contribution.

Also, defined contribution plans allow employees to manage their investments, but this can bring risk, "given global financial illiteracy," Mitchell cautioned. In order to overcome those limitations, many plan sponsors adopt so-called "target date funds" where portfolio allocations are aligned with the employee's expected year of retirement, or "target date."

How pension plan sponsors invest the contributions, or make portfolio allocations, is critical to the funding of plans, and so that also needs fresh approaches, according to the paper. Employees and retirees could also find useful advice in portfolio allocations from fin-tech firms and robo-advisors, or algorithm-based financial advice, the paper stated.

Fixing the 'Payout' Stage

In planning for the payout stage, beneficiaries could convert their retirement accounts into annuities, so that they get a pre-determined annual payout, while also protecting themselves against outliving their pensions, Mitchell noted. In fact, many countries mandate doing so, and even a 10% allocation into annuities helps greatly, she pointed out in her paper. She also recommended that integrating annuities be part of plan design from the outset, for instance in the context of a target date fund, as it can be difficult to add annuities after people retire.

Policymakers around the globe could help strengthen retirement systems in several ways, according to Mitchell. First, they could help generate and make available "better quality and more granular data" on mortality and morbidity patterns. Such data will help insurers factor in longevity risk when calculating annuity premiums.

Second, they could help develop "a consistent and economically coherent set of guidelines" for measuring and forecasting social security and pension assets and liabilities through time. Also useful would be mechanisms to better assess the long-term care needs of an aging population.

Third, retirement systems could do more to encourage delayed retirement, by undoing practices that set relatively young retirement ages to qualify for benefits. This is most useful when paired with policies that discourage employers from hiring older workers, the paper stated.

Agenda for Policymakers

Delinking the provision of benefits from employment and extending benefits to gig economy workers were other important areas where Mitchell saw roles for policymakers. Some firms such as Uber and Lyft are changing the status quo by helping drivers obtain low-cost insurance, she noted. Policymakers in many cases have responded to workers' needs in the aftermath of the pandemic, including facilitating sick leave policies for those who fall ill or have to take care of unwell family members, she added.

More broadly, policymakers could help strengthen social safety net programs that provide unemployment benefits, housing, medical care, and food security, the paper suggested. Mitchell cited efforts by Denmark in subsidizing 75% of the wages paid to workers at firms hit by the pandemic, and by Germany to extend loans to affected firms and thus help them stave off bankruptcy.

> **If real returns remain low for years, it will be critical for workers to save far more than they did in the past to cover their golden years.**

A Stage Set for Clashes

These reform proposals are set against the backdrop of rising tension between governments and retirees. Cash-strapped governments are eying retirement funds with an interest in using them for revenue, while retirees are concerned with how to finance their later years.

In recent years, some policymakers have sought to levy taxes up front on contributions, known as "Rothification." Advocates of such a policy note that the government currently "forgoes" about $100 billion in annual taxes on pre-tax contributions. "Some of that does come back later, when people retire and pay taxes on their benefits," Mitchell said in a recent Knowledge@Wharton article.

The push to tax retirement contributions up front poses other risks as well. "Moving to a system that taxes pension contributions instead of withdrawals will lead to later retirement ages, particularly for the better-educated. It would also reduce work hours and lifetime tax payments and increase consumption inequality in retirement," the researchers wrote.

Why the Urgency

The present time is right to revisit retirement systems, according to Mitchell. Amid the pandemic's spread, capital market values shuddered, health care systems staggered with millions of infected patients, joblessness shot up, retirement funding shrank, government tax revenue contracted, and unprecedented government spending had become the new normal. The global stock markets lost about $20 trillion in March 2020. Poorer nations will feel the economic pains more, since their health care systems are ill-equipped and their national budgets are strapped for funds, she said.

Retirement systems will become increasingly important as a source of income as declining fertility and rising longevity will continue to spur the growth of aging populations around the world, she added. This is supported by estimates by the World Economic Forum that the retirement savings gap will grow by 5% each year to reach $400 trillion by 2050.

Source: Knowledge@Wharton

How Emerging Markets can recover from COVID-19

The severity of the crisis emerging markets will experience will largely depend on the global growth and the effectiveness of the measures of major central banks.

BY ROBERT KARIUKI

The novel COVID-19 pandemic is still to play out fully in the emerging market universe, posing risks to both people and economies. While countries such as China, Uruguay, and Vietnam have managed to contain the virus, others such as South Africa, Brazil, and India, continue to grapple with a rise in infections.

The economic impact has been even more severe as emerging market economies were buffeted by multiple shocks. Compounding the effects of domestic containment measures has been a decline in external demand. Particularly hit are tourism-dependent countries due to a decline in travel and oil exporters as commodity prices plummeted. With global trade and oil prices projected to drop by more than 10 percent and 40 percent respectively, emerging market economies are likely to face an uphill battle. This is even as capital outflows have stabilized and sovereign spreads retreated compared to the sharply volatile market conditions seen in March.

Not surprisingly, the IMF's latest June World Economic Outlook Update projects emerging market economies to shrink by 3.2 percent this year—the largest drop for this group on record. By way of comparison, in the global financial crisis, growth for the group took a significant hit but still bottomed out at a positive 2.6 percent in 2009.

A decisive policy response

The crisis would have been worse still without extraordinary policy support. For sure, decisive policy actions in advanced economies led to a turnaround in market conditions that allowed emerging market economies to resume external financing efforts in April and May, which contributed to record levels of bond issuance so far this year—to the tune of $124 billion as of the end of June. But not all countries have seen improved fortunes. Fuel exporters, frontier countries, and those with high debt are experiencing a greater financial shock that pushed up borrowing costs, or even worse, denied them further access to markets.

Policy support by advanced economies provided emerging market economy policymakers with a wiggle room to soften the economic blow. Unlike previous episodes, where emerging market economies tended to tighten policy to avoid rapid capital outflows and the inflationary effect of exchange rate depreciation, the current crisis has seen emerging market economies' policy reaction more in line with that of advanced economies. Most emerging market economies used reserve buffers more sparingly and allowed exchange rates to adjust to a larger extent, while many countries injected liquidity as needed to ensure market functioning.

Like their more advanced peers, many emerging market economies, including Thailand, Mexico, and South Africa, eased monetary policy during this cycle. In a few cases, limited room to cut policy rates further and distressed market conditions induced the use of unconventional monetary policy measures for the first time. These included purchases of government and corporate bonds, although the amounts remain modest so far compared to the larger advanced economies. Conversely, the use of capital flow measures to deter capital outflows has been quite limited so far.

A similar picture is evident on the fiscal policy front. Emerging market economies have relaxed their fiscal stance in an attempt to tackle the health crisis, support people and firms, and offset the economic shocks. While more modest than that of advanced economies, these efforts were significantly greater than during the global financial crisis.

From conventional to unorthodox policies

Despite these actions, the outlook for emerging market economies remains clouded by considerable uncertainty. Chief among many risks is the possibility of a more prolonged health crisis, which would hurt more lives and could have dire economic consequences. Confronting a more severe downturn will be challenging because most emerging markets entered the current crisis with limited room for traditional fiscal, monetary, and external policy support. And much policy room has already been used up by actions undertaken in recent months.

Dwindling policy space may force some countries to take recourse to more unorthodox measures. From price controls and trade restrictions to more unconventional monetary policy and steps to ease credit and financial regulation. Some of these measures—which are also being implemented by some advanced and low-income economies—have significant costs, particularly if used intensively. Export restrictions, for instance, could seriously distort the multilateral trading system, and price controls hamper the flow of goods to those who need it most.

The effectiveness of other unorthodox policies will depend on the credibility of the institutions; for instance, whether a country has a track record of credible monetary policy. As we navigate the contours of the ongoing crisis, little time is available to properly analyze the risks and benefits of these actions in a careful manner.

The severity of the crisis emerging markets will experience will largely depend on the global growth and the effectiveness of the measures of major central banks.

Not out of the woods yet

Emerging market economies have navigated the first phase of the crisis relatively well, but the next phase could be much more challenging. The virus remains present, financial conditions are still fragile, and policy space is lower, particularly for those countries facing high risks to debt sustainability. The latter group of countries is quite large. Approximately one-third of all emerging market economies entered the crisis with high debt levels and are assessed to have no space for undertaking additional discretionary fiscal policy, or as having that space significantly at risk.

As the crisis develops, there is also a high risk that liquidity problems morph into solvency concerns. Besides sovereign debt stresses, corporate default risks are alarmingly high in several emerging market economies. Moreover, the crisis has hit poor people much harder, and this increase in inequality will amplify the policy challenge in many countries.

The way forward

The complexity of these challenges requires a multi-faceted policy response. First, domestic policies will need to be designed to allow for more durable and inclusive growth. Second, increased support from bilateral and multilateral lenders will be required where market access remains precarious. So far, the IMF has provided 22 emerging market economies with approximately $72 billion in financial assistance. Finally, for countries where debts prove to be unsustainable, timely, and durable resolution of these problems will be needed, by seeking broad burden-sharing across creditors including in the private sector.

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Duties of Pension Scheme Managers to the Member Beneficiaries -Judicial Enforcement & Interpretation

Pension plan administrators must exercise the necessary skill when navigating complex legal rules that affect plan members, retirees and their dependents.

BY IAN O. ODONGOH

The enactment of the Retirement Benefits Act (Cap 197 of 1997) ushered in a new era with regard to the management, administration, investment, and general corporate governance over pension schemes. The statute forms the primary legal basis for the standards that are required of any person charged with the responsibility of overseeing the affairs of a pension scheme.

Before it came into effect, disputes regarding the management of pension funds were largely left to the interpretation of the contract or trust deed that created the scheme. However, with the entry of the law, the obligations owed by managers were given the force of law and brought with it penalties in the event of a breach of the obligations.

As with all laws, the ultimate power of interpretation and enforcement lies with the courts - it is, therefore, crucial to interrogate the interpretation that courts in Kenya have applied to provisions of the law touching on the role of managers.

Lessons from the past

Before 1997, the retirement benefits arena in Kenya was not robustly regulated. Managers were only charged with what was provided in the trust deed appointing them. The country lacked a framework to regulate and monitor managers in their duties, as a result of which the interest of scheme members was largely unprotected. The quality and competency of the persons undertaking investment on behalf of the schemes also came into question. This saw members' funds being invested in ventures that were not practicable and in the long run diminishing returns accruable to members.

Another common challenge faced by the industry was the conflict of interest. By having control over the investment direction of a scheme, some unethical managers would collude with property owners to buy properties at exorbitant costs, eating into the margins accruable to the beneficiaries.

There was also an undue emphasis on real estate as an investment area, perhaps due to the limitations of having managers who couldn't appreciate the viability of other 'sophisticated' investment avenues. This, in turn, exposed members to undue risk in case of systemic challenges affecting the land market, and at the same time denied members the benefits of having a diversified investment portfolio.

Investment powers and duties of pension trustees

To cure this, regulations under the act have made it compulsory that all administrators possess some form of

The conduct of those who govern pension schemes significantly impacts the lives of millions of people around the world who are dependent on pensions for their retirement income.

professional training in insurance or related fields. Further, subsequent regulations passed under the Act have divided the different roles and made it unlawful for any one person to, for instance, act as the trustee, administrator, and manager at the same time. There have also been regulations prescribing maximum portions of a scheme that may be invested in different types of investments.

Challenges and potential solutions

Having a background on challenges plaguing the industry at the time of drafting the legislation, we can now consider the standard that would be expected of managers of such schemes. Usually, courts are called upon to apply themselves to interpret the law in instances where it is felt that a trustee, administrator, or manager has not represented the interest of members sufficiently. Due to the nature and value of most contracts concerning pension schemes, all disputes are usually subject to arbitration. The implication of this is that a lot of the commercial disputes revolving around pensions will go unreported since arbitration proceedings have confidential protection.

Benefits from strengthening pension fund governance

On the competence required of Administrators and Managers, arbitrators and judges have been steadfast in defending members and their interests from subpar administration and management services. In various decided cases, courts have upheld the oversight mandate as exercised by the Retirement Benefits Authority. There have been instances where the authority has carried out its own investigations into the mismanagement of schemes, confirmed wrongdoing, and rightfully expelled trustees and other officials. Attempts by affected officials to subvert the mandate of the authority by going to court; have fallen flat. This goes to show that administrative actions taken by the authority to weed out irregular practices will always enjoy protection from courts.

Establishment and incorporation of the Retirement Benefits Authority

The impact of the Retirement Benefits Act to the management of pension schemes cannot be understated. The law and subsidiary regulations provided under it have been aimed at improving the governance of schemes and improving the protection of the benefits of members. For any qualified professional or institution appointed to provide any services regulated under the act; they must have these two guiding principles in mind. They also ought to keep themselves updated with current developments in the industry and foresee any risks that might affect the funds they have been charged with overseeing. Instilling professionalism in managing retirement schemes is one sure way of creating public confidence, and inspiring current working generations to take up different pension offerings in the market. This will usher Kenya's pension sector into a dynamic and vibrant era whose possibilities are limitless!

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Leading the Way for Reinsurance in Kenya

Kenya Re: A look into key considerations for survival and success in a sector facing disruptive and rapidly accelerating change.

BY JACKIE MUKAMI

Kenya Re, established by the Government in 1970, has experienced rapid growth in recent years. Thanks to its main objectives to reserve and retain reinsurance premiums in Kenya as well as consistent efforts towards advancement of the reinsurance industry. However, the reinsurance industry today stands on the precipice of profound change – demanding customers, new competitors, and a changing set of challenges are transforming the industry.

Having its business focus across Africa, middle and eastern Asia, Kenya Re has grown to be a proposition re-insurer, with agility to handle every customer need – they offer long-life reinsurances in virtually all classes of businesses. In this exclusive interview with the *Management Magazine*, Jadiah Mwarania - OGW, the Managing Director of Kenya Reinsurance discusses with us the state of the Kenyan reinsurance market, opportunities for growth in reinsurance, disruptive factors and the influence of technology on risk transfer and reinsurance.

"Kenya Re has undergone a trajectory in terms of growth in the last ten years." "We have seen growth in all parameters – from the investment portfolio to investment incomes, total assets, and shareholder plans," explains Mwarania. This he says after Kenya Re posted a net profit of KSh3.9 billion in 2019 compared to KSh2.3 billion in 2018.

Jadiah Mwarania - OGW, the Managing Director of Kenya Reinsurance | PHOTO: COURTESY

"We are talking of annual growth of as high as 20 per cent in terms of premiums, investment incomes, shareholders' dividends, and profitability. Total assets have also been expanding each of these years," he adds.

The corporation has seen a burgeoning growth in the local market as well as international markets, despite the unfavorable odds of operating in a foreign market. This, Mwarania reveals, has created the need for them to be flexible and adapt easily to change. Today, Mwarania is confident in the corporation's capacity to come up with a product to cover any insurance need should it arise.

> **As customer expectations and sources of capacity continue to evolve, the market is going to demand more specialized, creative, and finely targeted solutions from their reinsurer.**

Kenya Re's market readiness has been accentuated by its adoption of and adept use of technology. Mwarania says that investment in modern technology has proven itself in spades - it has been a powerful pillar that has propelled the organization forward; for instance it has enabled the working from home arrangement during this period of the COVID-19 pandemic, thus causing less disruption to business operations.

Challenges facing the Industry

Despite the progressive record of success, Mwarania says that challenges are hard to miss in the industry. "Competition is rife – with over 50 insurance companies in the market, there is overpopulation leading the industry to face ills such as price undercutting, resulting in fewer premiums being written," he tells *Management*. "We have also seen complaints about claims payment - whereby the public sometimes feels that insurance companies are not paying claims as they should. This is certainly a market issue that needs to be addressed," he remarks.

According to Mwarania, the biggest challenge that has impacted Kenya Re's market share in its foreign operations is domestication. This is where a country sets up state owned reinsurance company and mandates it for local coverage requirements. This protectionism acts as a barrier to new market entrants, as well as attempts to drive away players who are present in the market. For instance since the establishment of Uganda Re, Kenya Re has lost some business considering they were collecting premiums to upwards of KSh4 billion.

"It is also worth mentioning that mergers and acquisitions have a dynamic effect of reducing the need for reinsurance, which is also a challenge. For instance, the merging of Old Mutual and UAP or Swiss Re coming here and buying shares with the standard APA," he adds.

COVID-19 has also presented unique challenges. The pandemic has ravaged markets across the world, especially the financial markets. We have witnessed depressed GDP Growth, unemployment, and shutting down of businesses, which directly affects us in terms of the ability to grow the premiums. Mwarania is however confident that, Kenya is not about to get into recession, as witnessed in many countries across the globe.

"What I foresee, however, is an economic slowdown. The projected growth in GDP in Kenya was about 5.9 per cent pre-COVID. That has since been revised to 2.4 per cent with the pandemic. So yes, the economic activity is suppressed but I do not see us getting into a recession." he states.

Emerging risks and opportunities

On the flip side, the pandemic represents enormous opportunities and possibilities for the industry. "The contention around business interruption claims linked to the pandemic could fuel new demand for such products in the aftermath of the crisis," Mwarania explains.

"We can capitalize on the emerging opportunities by developing products and insuring them. We also want to be reasonable with our contract terms and adjust those terms to include COVID-19 packages at a price. We also plan to diversify our portfolio by embracing all the classes of business that still generate profit."

In addition, as customer expectations and sources of capacity continue to evolve, the market is going to demand more specialized, creative, and finely targeted solutions from their reinsurer. Companies will need to focus on risk insight and innovation to break away from competitors. Reinsurers must also compete on more than just price and capitalize on internal expertise to get closer to clients and understand their needs.

More so, there are pockets of opportunity, such as the millennial market, which he believes is 'up for grabs'. "Reinsurance companies need to come up with innovative products that will be acceptable to the tastes and fashions of the younger populations," he says.

Impact on Africa and Development Prospects

Insurance penetration in Africa remains low despite insurance markets having witnessed tremendous growth worldwide. Across Africa, it is at 3 per cent and below, except for South Africa and Botswana. Kenya is at 2.4 per cent. This, according to Mwarania, comes down to two factors. "One is the property levels - if people cannot afford insurance, then they are not going to buy it. So if we want to address penetration, we must also eradicate poverty. To address the penetration issue, government initiatives at eradicating poverty are the way to go," he says.

"The second factor is awareness; there are a lot of people who can afford insurance but they do not embrace it since they are not aware of its importance. The creation of awareness is a key factor in enhancing penetration. Governments, through regulations, can also create incentives for populations to take on insurance."

The Outlook

Looking forward, Mwarania tells Management Magazine to expect continued expansion of the reinsurance industry. "I see a lot of potential for growth in the industry. Kenya is a regional hub - it is the most developed economy in east Africa. We are also very well geographically and technologically positioned."

"Kenya is the powerhouse for Africa seeing that we have the right international connections for military reasons, economic alliances and the market is increasingly getting more sophisticated in terms of its product offering, channels being used, and consumption," he continues. I think that if there is any hotspot in terms of future development in Africa for financial services, generally, technology - Kenya is clearly one of them.

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Mortgage Agency Brings Home Ownership to Masses

Homeownership has eluded many Kenyans for years. The Kenya Mortgage Refinance Company (KMRC) focuses exclusively on the provision of affordable housing finance to Kenyans. Johnstone Oltetia, CEO of KMRC, discusses the progress that the organization has made and strategies that can be employed to further develop the housing finance sector in Kenya. He also identifies the best investment opportunities, which lay in developing affordable housing projects to reduce the huge deficit

BY DERRICK VIKIRU

Management Magazine (MM): Tell us about the Kenya Mortgage Refinance Company (KMRC) and its mandate.

Johnstone Oltetia (JO): The Kenya Mortgage Refinance Company (KMRC) is a non-deposit taking financial institution established in 2018, under the Companies Act 2015 and regulated by the Central Bank of Kenya. The Government of Kenya through the National Treasury established KMRC purposely through a public-private partnership arrangement in order to crowd in private sector financing to support affordable housing.

KMRC's mandate is to provide long-term financing to primary mortgage lenders for purposes of increasing affordability and availability of mortgage loans to Kenyans.

MM: Help us put into perspective the difference between social housing and affordable housing.

JO: Social housing is the kind of housing that is provided by the government to people in the lower level of the economic spectrum. The government thus subsidizes those houses so that people can have accommodation mainly through renting (or for free). The houses under this category also happen to be sitting on the government's land or generally owned by Government (either national or county government).

Affordable housing, on the other hand, is essentially available to middle to lower income earners and could be driven by private sector and government might provide amenities such as horizontal infrastructure, water and sewer in form of subsidy to make housing affordable. It also involves creating affordability by extending financing to people to buy those houses.

Johnstone Oltetia, CEO of KMRC | PHOTO: COURTESY

MM: Can rent control regulations and gentrification of dilapidated houses help with solving homelessness in Kenya?

JO: Gentrification, whereby you have both high-income and low-income earners living together, is both good and bad. It is good for homeowners since it increases the value of houses, and subsequently lead to a general increase in rent. However, increased rent drives renters out of town/ gentrified houses thus affect ability for lower income earners to continue living there. Rent control on the other hand is bad for business as it stunts competitive pricing thus demotivating property developers.

The most desirable way of reducing homelessness is to provide government housing to the people and providing people with affordable financing so that they can own homes. KMRC comes in to provide long term financing at affordable rates so that a majority of the people can afford these homes.

MM: There have been arguments that most Kenyans are moving from paying rent to being extorted with outrageous mortgages fees. What is your take on this?

JO: There is a process involved when converting from paying rent to owning a home. The most efficient way to own a home is through a home loan/mortgage. Mortgage financing certainly has incidental cost such as legal fees, transfer charges, valuation fees and stamp duty among others that one should be ready to pay when looking to be a homeowner. In my view, it's not extorting people. It's the cost of homeownership.

I admit that mortgage rates have been high in Kenya making homeownership virtually impossible. KMRC is playing a catalytic role to support people to take up affordable housing. KMRC will standardize the mortgage underwriting processes and ensure that people have a fair platform to obtain mortgages across mortgage providers.

MM: There is a critical need to deliver housing for the lower-end of the income spectrum in order to improve housing conditions for the average Kenyan. How does KMRC come in to fulfill this need?

JO: KMRC has been building a pipeline of financing through mobilization of funds in order to effectively support its lending operations. For instance, we have mobilized over KSh35 billion from the World Bank and the African Development Bank through the National Treasury. These funds will be used to lend to the primary mortgage lenders; the banks, Saccos, and micro-finance banks, which ordinarily offer mortgages as part of their product offering. The primary mortgage lenders will lend to the ultimate borrowers for housing purposes.

KMRC has succeeded in bringing mortgage industry players together and working hand in hand with regulators and Government. We also work with developers, through the Kenya Property Developers Association to ensure greater alignment in the delivery of affordable housing.

MM: What are some of the sustainability initiatives that should be incorporated into the affordable housing program in Kenya?

JO: Sustainability is critical to KMRC and it's mainly around environmental and social sustainability. Through our environmental social sustainability policy which encourages maintenance of natural resources and green developments, we advocate for developments that meet the needs of the present without compromising the ability of future generations to meet their own needs. To support this endeavour, KMRC will be raising funds though issuing green bonds which will then be utilized to finance green housing development initiatives.

Our policy, which is aligned with the World Bank sustainability initiatives discourages any sort of forced relocation of people from where they live or work. It also discourages situations where people put up buildings in protected lands, forests, riparian areas or road reserves. We need an environment where communities co-exist harmoniously and with nature. Thus, we encourage mixed-development housing so that people are not segregated into social classes.

MM: What leverage does KMRC have over other financial institutions accessing the market individually to facilitate lower overall transaction costs in the development of the mortgage market in Kenya?

JO: KMRC has been supporting participating financial institutions to align their mortgage lending activities with KMRC eligibility criteria. The key value proposition from KMRC is to lengthen the tenure of home loans and remove the maturity mismatch these institutions have in their home loan financing. In many cases, financial institutions have certain limits as to how much they can mismatch their loan books. We help remove that rigidity by providing long-term financing to match the long-term investments in housing thereby assist financial institutions to scale up the scope of their mortgage lending.

We also provide our partner institutions with the ability to access capital markets financing cheaply as they would not need to go to the market themselves. We anticipate that KMRC's presence in the market will increase competition due to more institutions coming into the mortgage market, giving borrowers more choices thus potential for cost reduction both in terms of loan pricing and processing fee.

MM: What factors would you say are shaping housing aspirations and expectations of young people?

JO: Young people have all kinds of aspirations that are way different from other generations when it comes to housing; the kind of neighborhood, amenities, interiors etc. What is strikingly odd is that most of them do not consider owning a home a necessity because they feel owning a home ties them down. They want to be able to switch neighborhoods/houses as their preferences evolve.

I think a lot more needs to be done to encourage millennials to own homes. That said, studies need to be done in order to understand the aspirations of the younger generation so that housing developments can be better aligned to their interests.

MM: 2020 has seen a spike in property seizures as home loan defaults continue to rise according to Central Bank of Kenya data. Have you witnessed a spike in the number of Kenyans seeking to refinance their mortgages?

JO: There is a difference between mortgage refinancing by KMRC and refinancing of loans by borrowers. Refinancing by KMRC means extending a loan to a financial institution against a portfolio of mortgages already financed by the financial institution i.e. a bank or a Sacco would have already extended a home loan to a borrower or borrowers after which all the loans are aggregated and submitted to KMRC for refinancing. Indeed, there has been a general increase in non-performing loans, especially home loans, which has worsened with the COVID-19 pandemic. The pandemic has created a situation whereby people have to realign and shift their income to more urgent need such as health, housing and food.

Investment has become far less of a need – which is obvious during a crisis like we are now. You realize that the housing and the loans that people are getting at the moment are mainly on floating rate basis. That means the interest rate moves up and down with the market and any significant increases can precipitate a default.

This is a lesson for all of us. We have anticipated a situation of that kind at KMRC; which is why KMRC focuses on long-term fixed-rate financing, with direct trickle-down effect to wananchi; People can now take up long term housing loans at fixed rates without worrying about increase in rates. This would create more certainty to the mortgage borrowers and stability in the market as it has potential to reduce non-performing loans.

MM: What is your take on relocating low-income individuals/families as an intervention to solving Kenya's housing problem, as opposed to revitalizing low-income neighborhoods?

JO: Revitalizing homeownership is a good strategy since it helps communities to co-exist. This means improving the conditions of those houses and giving them back to the same people to continue living in them instead of attracting new users. Relocating, however, is not a great idea. The temporary relocation, though, for purposes of the redevelopment of those estates, can work – on condition that the same people a given the priority to come back and occupy those houses once they are complete.

MM: How do you see the role of prefabrication in evolving low-cost housing solutions?

JO: Prefabrication lowers the input costs and ultimately makes the house cheaper to buy. Generally, we are used to certain rigidities where the building code specifies the brick and motor kind of construction as the preferred option– and that increases the costs of a house. However, when you have input with a lot more efficiency in the construction, like prefabs, that lowers the cost. And if the input costs of a house are lower than the overall cost, then the cost of the house will be lower. Prefab is the way to go. It's durable, like any other house, and a great way to scale up affordable housing.

MM: Help shed light on what makes housing in Kenya so expensive?

JO: Housing in Kenya is unbelievably expensive. One of the main contributing factors is the cost of land, especially in the urban areas, which is very high. Most investors buy and hold onto land and wait for its value appreciation for resell at a higher price in the future. This is especially buttressed by a common assumption that the value of land always increases.

Another reason for expensive housing is the cost that comes with the inefficiencies of obtaining property rights or land ownership titles. Construction costs are also a contributing factor – the input costs of developing houses are very high.

However, these factors are currently being addressed by several key stakeholders such as the Ministry of Lands, Ministry of Housing, as well as the National Treasury. I am positive we are going to experience a situation where there will be a major correction of housing values and affordable housing in the near term.

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The Lawyer Turned Caterer

From the UN to Ugandan Kitchens, She Dared to Follow her Dreams

BY MERCY KAMBURA

Vivienne Adala, CEO of Knick Knacks Afrique LTD. PHOTO| COURTESY

If Vivienne's story doesn't make you go "Whoa she did what? It's the United Nations", we'd be surprised. After all, not many of us would give up a safe career – the holy grail of careers, to venture into the unknown with just passion. But Vivienne Adala, CEO of Knick Knacks Afrique LTD, did that. What inspired her to do so? In this exclusive interview, she explains how she found her bigger calling.

After 14 years of a successful career as a Human rights lawyer with the United Nations, working in Kenya, Uganda, and Thailand, she finally clicked 'send' on the resignation letter. She then walked out of her office to regulate her heart rate and exhale. It was one of the hardest things she ever had to do. From the success of the enterprise she afterward set up, Vivienne is at the top tier of the brave and wise.

Vivienne studied in Mangalore, India, where she graduated with a degree in Law and a Ugandan boy as bonus points. Later on, she did her masters in International and European protection of human rights in the Netherlands. She landed an internship with Amnesty International and worked with them in the UK. After working in the UK for a year, she realized that she wasn't cut out for Europe. The weather was unwelcoming, and she missed her people badly.

"I like being near my relatives, I'm a people's person." Europe was a little on the lonely side, so she packed her Maasai shawls and Kenyan flag bracelet and returned home. She then got a temporary contract (albeit being renewed again and again) with the Committee of Human Rights, (currently the Commission of Human Rights).

Vivienne had a small stint at the Kenya School of Law before she realized that she didn't want to practice, so she applied to be an expert on missions with the UN instead. This meant that she would be posted to any country that the team in Geneva chose. She was posted to Uganda. Once again, she packed her bags and left for Uganda – to her new job post and college heartthrob.

As an expert on missions, she was responsible for listening to refugees' cases and advising them on their reset-

What's important for my daughter to know is that... if you are fortunate to have an opportunity, you must make sure other people have those opportunities as well.

– Senator Kamala Harris

tlement. She'd build a case for them to present to the USA immigration. She did this in Uganda while also doubling up as an unpaid shrink.

Resignation seeds were broadcast in her mind when, together with her Ugandan sweetheart, got their first baby. The baby was born with Down's syndrome and needed close monitoring and advanced medical care. The baby was also born underweight with six holes in her heart. After surgery to correct the baby's heart here in Nairobi, Vivienne left her in her parents' care went back to helping refugees access resettlement. Being away from her baby, she says, was the hardest thing she ever had to do. Vivienne would later have two more kids, whom she left in Nairobi with her parents. This, she says, was mentally, physically, and emotionally exhausting.

Circa 2013, the mental battle with the decision to quit and be with her kids started getting intense. "I was struggling with that a lot. The little time I got to be with my kids was spent doing fun things as opposed to getting to know them. I wanted to be a present mom."

She still uses to do catering on a small scale, but she still couldn't bring herself to leave her job and pursue it wholeheartedly. It took three years to finally decline a new contract and resign. She expected to be terrified of that decision; instead, she felt immense relief. "I had an idea but it took me too long to make it happen. If you have an idea, run with it because someone else soon will." Her life mantra became, 'procrastination inflicts a great mind.'

And run she did. That was in 2015. She would spend her weekends catering for weddings and other functions. She had decided to let out her front lawn and gardens for the functions as a two-in-one package. Nevertheless, her eye was on corporate Catering, which would ensure she was busy throughout the week. When a client came to see her, she'd buy wine from a friend and give it to them as a complimentary gift. This was in 2015.

"My very first contract was a hospital. A hospital is always busy, there's no time when we would not have a client." She took over this hospital's kitchen and made meals for them, creating a brand and a name for herself. Today, Vivienne and her team have taken over 60 kitchens in Ugandan hospitals, companies, and organizations including banks, industries, and construction sites, among others.

The complimentary wine also gave her an idea – how about having her own brand of wine? And Hibirut wine, made from

Hibiscus and beetroot was born. When she left India, Vivienne also came with love for pepper. She has now launched her brand of chili sauce called Motomoto.

Knick Knacks Afrique has 15 permanent staff and a pool of 60 temporary staff that she calls upon when the work overload is too much. These are students who have just completed their courses. She also works with women groups and other disadvantaged groups that do catering. She's currently serving to at least 700 people and running the kitchens of at least 20 companies in Uganda.

How does she balance running a company and her personal life? "I train my staff every week. I get a professional from a hotel like Kampala Serena to train them on how to produce quality food." Vivienne also encourages her staff to know what is happening in other departments in the business. She conducts mock interviews to gauge their knowledge and preparedness.

Vivienne is an ardent planner. She believes that when you start a business, do everything you can before you spend any money. She advises seeking a mentor in the field you're interested in to know what works and what doesn't.

She has also started a mentorship program where she mentors other ladies interested in pursuing Catering as a business. She also visits the client's premises and observes the daily workings, then advises on what they are doing wrong and how they can make it work better. She also voluntarily picks girls and boys who have been rescued from the streets and trains them on the catering business.

"When people are under your wing, they listen to you. You need to be careful that you shape their direction towards what they want to be. I'm very friendly. When you're friendly, you become relatable and your marketing becomes easy," Vivienne concludes.

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Human Resource Management in time of Covid-19

The Covid-19 pandemic is becoming the accelerator for one of the greatest workplace transformations of our lifetime.

BY ELIJAH NJENGA

Countries around the globe are swimming in uncharted waters of the infamous virus, Covid-19. The effect of the respiratory disease has trespassed continents, nations, corporate organizations to the smallest unit of recreation and existence, kith, and kin. The governments have been urging and nudging citizens to practice personal responsibilities in observation of health guidelines and protocols to stay safe and to beat the deadly virus.

Ramp up Training and Investment in Remote Working

Businesses and corporate organization have had their share of the virus batter. Many businesses have closed shop while others have been forced to rethink their business models and channels of engagement. Working remotely emerged as one of the new ways. Good as it is, it has its underside in execution - some of the remote working challenges are mental health and well-being management of employees, the inflexibility of the teams and systems, ineffective communication and engagement channels.

In the corporate pecking order, Human Resource functions have habitually been misrepresented as a lesser string to the bow to other commercial aspects of corporate operations. However, great and savvy chief executives recognize and understand the significance of HR's strategic importance to their business. Thanks in disguise, Covid-19 has highlighted and demonstrated the skills of shrewd HR managers are central in successfully managing a crisis to which people are involved. The pandemic has presented HR as frontline officers at the workplace. Employees come before business.

It is crystal clear; handling the effects of the pandemic will still take a sizable share of HR's time in the medium term. Businesses and organizations are toiling with managing immediate and longer-term needs. Organizations anchored to the future should critically consider the services of Human resource professions.

Time to Reset the Clock?

Human resource management has mutated for many years in roles, functions, and responsibilities. Change and improvement have always been triggered by a need - human resource management started like industrial welfare to regulate the number of hours women and children worked. The functions have since enlarged and enriched to cater to personnel management in recruitment and selection, motivation, wage policies, and health and safety. Decades later, personnel management took an extra role in industrial relations. They would negotiate pay and other issues of collective interest between management and employees.

As time progressed the human policies and laws were documented and legislated to protect employees from exploitation and organizations shielded from the industrial tribunal in human relation matters. Employee diversity further expanded the scope of personnel management to accommodate flexibility in working time and different religions.

Real-time, Innovations, and technological growth has brought many benefits to the human resource profession. In the presence of the current epidemic, the benefits of technology in employee management cannot be gainsaid- Virtual meetings, online reporting, online training, employee management, etc. Further, Information Technology systems have eased many of Human resource functions.

Lack of a plan is a plan to fail. People in the role of responsibility in all sectors should evaluate how their businesses have been affected and plan for the future. Human resource teams should be proactive, not reactive. Pragmatism is paramount when in a position of authority and for effective execution in the role.

To establish a refreshed role, HR teams will need to be brave, challenging and work together to assert professional standards and create better and more consistent systems in which people can flourish.

Role of the People (HR) Team from 2020

Stakeholder's interactions and management at the workplace and workforce are vital in the containment of the virus. HR has a role to minimize unnecessary physical engagements and maximize observation of the health guidelines. Assessment of exposure should be analyzed and stakeholders directed or advised accordingly for the safety of all.

Some organizations have employed the use of sanitizers and temperature checks at their entries and otherwise, for safeguarding and minimizing exposure to the virus. Others are steps ahead with travel declaration policies to which employee's movements are monitored and documented. This is important for general health and individual tracing in the event one portends signs or symptoms of the virus.

The government of Kenya has been treating hospitalized Covid-19 patients for free. In the same breath, companies with unfortunate or who may find themselves with an 'infection case' should consider a paid leave to the ill employee. In so doing, this will minimize the employee temptation to report to work while under the weather thus exposing others. HR's are employee's ambassadors in organizations and management advisor on employees matters.

Human resource officers have a role to play on the safety of the employee at work against COVID-19. However, personal responsibility on the employees cannot be overemphasized.

Finally, as Nassim Nicholas Taleb said, policymakers in an epidemic should prefer to be blamed for over-reacting. Those under-reacting might not be around in order to be blamed.

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The Tactics of Strategic Opportunism

Maintaining an opportunist mind set means your business must be innovative, eager to reinvent, and open to change.

BY SUSAN MULLEI

"Professional opportunists" is what Henry Innis, chief strategy officer at Mutiny, a US marketing firm, defines strategic thinkers. A survey conducted in the USA with 400 talent management leaders found that the most valued skill in leaders today is strategic thinking. Unfortunately, research with 154 companies found that only three out of every 10 managers are strategic.

Recently the Business Daily newspaper penned an article on the challenges that Kenyan millers are facing. During the COVID 19 pandemic, stock has been piling up on the shelves due to a fall in the purchasing power from the consumers. In a bid to counter this, the millers reduced the prices of their products to secure existing customers. Sadly this sales strategy did not gain traction causing the millers to undergo serious financial cash flow depletion. The millers then reverted to increasing the prices. Irrespective of the strategies used, price reduction, or reverting to the old price, the miller found themselves still encumbered by the consumers' low purchasing power, deadstock, and reduced cash flow scenarios.

Let us retrace our steps from the strategic plan in the case above and consider the place of strategic thinking within an organization. Any strategy plan is preceded by strategic thinking. What thinking informed the strategies the millers used? As a miller, think through how you would address their predicament.

Habits of Thinking

All human beings think. All workers think. It is a personal activity yet subjective in nature. The most successful workers think strategically - they endeavor to manipulate any situation for maximum benefit. Strategic thinkers do not merely engage in an abstract activity. They eliminate wishful thinking in the organization strategy. Further to that, the end game is to be well-positioned to make the best decisions required. Hence the term "Professional opportunists".

Strategic decisions are choices that cover the total scope of a business in terms of its' direction, policies, and operations. Indeed intelligence thinking reflects the capacity of the decision-maker to choose the best solution by viewing situations through a new set of lenses. This value thinking is made distinct by long-run operational impact, integrated approach, and complex organizational scope, matching of resources, and dealing with uncertainty. It is more than just a chore - it is a habit or a way of life. It is not what one thinks but how one thinks.

Piecing the puzzle

It has been said that an organization should hire character, not skills. Skills can always be taught but it takes a long time to build character. The focus has now gone a notch higher to what informs character, and that is ones' mindset. In ascending order of importance, the three elements to consider when hiring are skill, character, and mindset. Author Wayne Dyer asserts that "If you change the way you look at things, the things you look at change". The mindset is the most impactful and valuable constituent that not only the senior management ought to have, but each member of the workforce. The key to the success or failure of much strategic action, regardless of the venue, is the mind-set of the strategist.

Ones' mindset can be termed as their mental attitude or their inclination. The way we think is influenced by three forces: logic, intuition, and correlational.

When we use our mental processes and apply a formal line of argument, the logic force is at play within our minds. This is the most applauded force, yet it is time-consuming and encumbered by setting boundaries. This linear approach does not fit well in non-linear situations that have surprises and uncertainties.

While hiring for skill, it is believed that competencies and experience are important requirements to carry out the job. The innate capability garnered over time can be referred to as intuition. Strategic intuition is the build-up of past actions, responses, and experiences that quickly yield response to a situation. This is the best point of call when faced with uncertainty. However, one needs to ensure that they understand the problem and take into consideration the ramification of their response - both in terms of the future and broad scenario.

To establish a refreshed role, HR teams will need to be brave, challenging and work together to assert professional standards and create better and more consistent systems in which people can flourish.

Lastly, correlational forces are the external forces that impact occurrences around us. The strategic thinker has less control over the external environment thus is limited to merely understanding and analyzing it.

The above three forces sway the decisions we make; and the decisions, in turn, formulate the strategic plans the organizations set as a base for their operations.

Attributes of Strategic Thinker

The mindset of a strategic thinker can be surmised as one who recognizes that options exist and choices have to be made even amid uncertainty by embracing forward-thinking. They are logical in their approach, are aware of the external influences that abound and they heed to their intuition. This is a way of life of a professional opportunist. A key premise in business is that new growth comes from new thinking.

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Continuing the War against Counterfeits

The battle against counterfeits can be won. With billions in revenues, critical customer loyalty, and even public safety and human rights at stake, it must.

BY JOSEPH NGIGE

Product counterfeiting - just like diseases caused by lifestyle and diet - is the disease affecting financially successful product brands. Counterfeiters have attracted by-products that have one or more of several attributes; high demand hence fast-moving and high value thus high-profit margins. The reality is that attempts to counterfeit will always follow successful brands.

In strategy development, Michael Porter's five forces model of industry analysis assesses five forces and how they affect a firm's competitive advantage. One of the forces is the threat of substitute products and counterfeits should principally be viewed as substitutes to the genuine product.

The counterfeit goods can be sold through parallel markets, or even introduced into the regular supply chain. Due to the competitive edge, counterfeit products are far more common than originals in the affected markets. The real threat posed by counterfeits is that the original, high-quality products are ultimately priced out of the market.

Counterfeit products often evade taxes, which then allows them to be competitively priced. This affords very attractive profits for the dealers. By displacing the sales of genuine products, counterfeits undermine the tax base and thereby affect public services available.

The weakest link in the counterfeit war is the distribution channel; the distributors, wholesalers, and retailers. Counterfeit trade thrives most where these players knowingly stock and distribute counterfeit products while misrepresenting them to consumers as genuine products. Many of those participating in creating input materials, such as packaging materials suppliers, may be unaware that they are involved in illegal business. In their view, they may simply be responding to new orders for products in an open market.

In some cases, the retailers may not be aware of the nature of what they are selling, but often there is selective blindness to the origin of these drastically discounted goods.

Strategies to combat counterfeiting

In their 2013 book "Protecting Your Intellectual Property Rights, Understanding the Role of Management, Government, Consumers and Pirates", Chaudhry and Zimmerman attribute the increase in sales of counterfeit goods to seven key factors: globalization and low trade barriers; low-cost technology that results in low investment and high profits; consumer complicity; expansion of channels and markets; powerful worldwide banks; weak enforcement; and high tariffs and taxes.

According to Nash, Vetere, and Young in their article in the World Trademark Review of 2014 titled "Responding to the hidden threat: How luxury brands are fighting against counterfeiting", the actual extent of the counterfeiting problem is impossible to quantify. The lack of historical data, since counterfeiting is an illegal activity, makes it difficult to accurately measure the growth and trend of counterfeiting. Counterfeiting leads to loss of sales, loss of goodwill, damage to corporate brands, trademark dilution, and the cost of enforcing intellectual property rights.

An effective strategy should take into account the brand's target markets, the types of counterfeit products being produced, and how the counterfeits are being manufactured, distributed, and sold. An effective anti-counterfeit strategy should cover several aspects of the trade as highlighted below:

Engagement with consumers and legitimate traders

Nash et al. (2014) state that an important component of any strategy involves educating and raising awareness of customers and legitimate traders about counterfeiting. Both regulators and industry groups should be involved in anti-counterfeiting advertising campaigns.

In addition to publicity campaigns, brand owners should engage in anti-counterfeiting initiatives aimed at having a practical impact on shopping habits. This could include creating a directory that lists those channel owners known to strictly sell genuine products. Such a directory can be developed by business associations such as the Kenya Association of Manufacturers on behalf of their members.

Technology

Technology enables owners of genuine products to come up with innovative and practical anti-counterfeiting measures. The technology could be used to enhance product security. Practical technologies include the use of watermarks, holograms, security tags, special fibers, and even radio frequency identification tags. Such technologies make it difficult to replicate products and enable enforcement officers, distributors, wholesalers, retailers, and consumers to verify the authenticity of goods.

Intellectual Property Protection

To launch an effective anti-counterfeit strategy, manufacturers need strong intellectual property protection. This can be achieved by carrying out regular audits of the Kenya Industrial Property Institute (KIPI) monthly journal to identify competing brands that are lined up for registration. Regular searches on trademarks and names should also be carried out to identify potential brand and trademark violations. Where these are found and possible infringement of the brand or trademark noted, an objection to the registration should be lodged promptly with KIPI. Further action could include filing an injunction in Court against the registration of such trademarks.

> **Creating a resilient anti-counterfeiting strategy can be challenging given the global nature of the crime, as well as local nuances which come into play in different jurisdictions.**

Legal Framework: Offenses and Penalties for Counterfeiting

Enabling laws is a prerequisite to making deterrent penalties for counterfeiting crimes. In Kenya, the applicable law is the Anti-Counterfeit Act, 2008. Section 2 of this Act gives the meaning of "counterfeit products" while Section 32 details what constitutes offenses of counterfeiting.

Section 35(1) of the Act lists the penalties for offenses under Section 32 as follows:

1. In the case of a first conviction, to imprisonment for a term not exceeding five years, or to a fine, in respect of each article or item involved in the particular act of dealing in counterfeit goods to which the offense relates, not less than three times of the value of the prevailing retail price of the goods, or both;
2. In the case of a second or any subsequent conviction, to imprisonment for a term not exceeding fifteen years, or to a fine, not less than five times the value of the prevailing retail price of the goods, or both.

The financial penalties stipulated above are too low to deter counterfeiters. Most of the actionable counterfeit goods are found at the retail level. Seizures at this downstream stage of the value chain are often of very low value compared to what is available at the highly guarded upstream sources where seizures are difficult to actualize.

For the *Anti-Counterfeit Act 2008* to effectively deter counterfeiting, penalties of custodial nature should be mandatory. Alternatively, financial penalties should be set at a high level irrespective of the value of goods seized. Stakeholders should do everything possible to greatly minimize counterfeit trade in Kenya in order to support and incentivize innovation.

By Joseph Ngige, MKIM,
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The Alluring Myth of Passive Income

Convalescent plasma therapy may be helpful for people with COVID-19 who aren't helped by other treatments.

BY MANAGEMENT MAGAZINE

Passive income is income that requires little to no effort to earn and maintain – and it's easy to see the appeal of this concept. Every person on earth would love to get money in exchange for little to no effort. But if everyone wants passive income, what's stopping them? Nearly all of us are still either working or looking for work, yet there are thousands of books, articles, podcasts, etc. explaining how we can start building passive income streams. Maybe if we all follow their advice, each of us could retire to some post-work utopia.

The problem with this notion, however, is that someone has to be working to produce and deliver the good or service on which your passive income rests. There's no perpetual motion machine for economic growth. For every one person who truly makes a living passively, a multitude of others has to work to provide it.

Passive income requires an upfront investment.

The simplest and most effective way of earning income passively is through financial investment. You buy some stocks, the price goes up, you sell it - you've made some money. Of course, being an active financial trader can also involve a lot of labor, especially to do it successfully, but you can either pay a broker to do that for you or invest broadly in index funds, CDs, and the like that only require you to park your money somewhere.

You need a lot of cash, to begin with – money that you can afford to invest in order to make any significant amount of return on that money. This is why most have to save for thirty-plus years in order to retire. If at the age of forty you want enough "passive income" to replace your job, say $50,000 a year, you'll need to invest roughly $2 million to last you to the age of 95, and that's assuming there's no historic economic downturn like the one happening right now.

Another common way to invest money is in a private business. Again, this requires an upfront financial commitment. You have to have large sums of money to offer for a successful or even promising business to give you a stake in a private company. Some people will try to sell you on the idea that you can build a business from the ground up and then rake in the money once it's up and running. However...

Investing your time is called working.

If the first step of earning passive

In truth, to earn a living wage with passive income is possible only for those who are already wealthy.

income involves expending an indefinite amount of physical or mental effort, there's something amiss. In articles on the passive income, you may see this referred to as "investing your time." You can't invest your time passively though. It's not as though your time investment involves sitting back on the couch watching television. What they mean by investing your time is labor—the labor it takes to create a business where there is none and get it up and running to the point that it's profitable.

Many of those espousing the potential of passive income will try to sell you on the idea of a business that requires little to no effort to start and will then continue to operate more or less autonomously. But in doing so they attempt to hide the ball on what makes a business profitable in the first place. People ultimately spend money on goods and services that they need or want, which means a business has to add value somewhere in that supply chain that meets the demands of the consumer.

The latest craze to invoke and entice this sort of magical thinking is known as drop-shipping. They act as a retailer who does not keep goods in stock but receives a customer's order and then passes it along to a wholesaler or manufacturer to fulfill.

Drop-shipping can add value by connecting a customer to someone looking to sell their goods, but that value again is derived from either labor or capital. If you can accumulate retail orders with no effort, so can the manufacturer, or so can a million other people eager to take your spot. Being successful at drop-shipping means being a successful marketer, which requires active efforts to find and communicate with your target audience.

The bottom line is that building a business is work. Other businesses will compete with you. It takes money and labor to continue providing value to your customers, especially when you're relying on the sale of physical goods. No one wants to waste money by having part of the cost go to someone who's putting in little to no effort in producing or distributing it.

Royalty/affiliate payments are not passive income.

These days, anyone can shoot a video, put it on YouTube, and start earning money, right? This applies to at least half of all the "passive income ideas" listed among the top Google search results: sell eBooks, create an online course, sell stock photos, license music, create an app, design t-shirts, and sell your art on Etsy. None of these are passive income.

They all require that you actively work to create the content you're then going to make money off of.

Whether you're self-publishing books, creating online courses, or earning affiliate payments, it's more likely that your earnings will fall short of minimum wage than it is that you'll have runaway success. All of these markets are saturated, the competition is fierce, and, unless you find a way to be uniquely successful, it's largely a race towards the lowest prices.

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How to Plan For and Handle Retirement

Retirees don't live a static life. Things change, and that's ok. These are your rules, and you get to adapt them as you see fit.

BY GADHIA SHALINI

Retirement can be a tricky phase for anyone, especially if one has spent the better part of their life being engaged in a very eventful life. It can often come with consequences like depression and dementia. This can however be prevented if we plan well and are ready to embrace this phase with a positive outlook. So, how can we do this? What are some of the things that we can do to help us cope better with this change?

Have a schedule

It is important to have a schedule lined up for each day. Of course, sleeping in and resting is always permitted but having a plan for the day keeps you up and going. It also reminds you of the things that need to be done and make you feel normal like the working days. You could have specific times set for each activity, for instance, having your morning tea as you read the paper from 9 am-9:30 am and etcetera.

Take up activities

Get involved in activities that interest you. This could vary from reading to gardening to catching up with your favorite documentaries. Such activities present a great opportunity to expand your knowledge base. Enrolling for classes like painting and other creative engagements will let you tap a part of you that you may have not known before!

Activities also keep our minds engaged and help us avoid getting wasteful thoughts that would prove to be detrimental. Another advantage is that we feel like we belong when we get involved in productive ventures and get together with likeminded people.

Community Involvement

Having time in one's hands presents the perfect opportunity to help the community we live in. A community, in this context, refers to the

> **You've worked your entire adult life and now you're retiring and getting absolute control over what you do and when you do it, and how to spend your**

neighborhood we live in, the larger area where we reside, the schools our grandchildren go to, and the social and educational places we attend.

Getting involved in these communities is a key way of giving back to these people. There are various ways in which this can be done.

A good example is volunteering to participate in neighborhood security activities. This is a great way of keeping occupied and also adding value to the lives of people around you.

Another great way is to offer a skill or talent to interested parties, for instance, voluntary baking classes or professional mentoring.

Maintain Independence

Independence is crucial in ensuring that you have a pleasant retirement. Retirement can come with a loneliness that can in turn lead to one becoming needy. This can further create a yearning for attention, especially from one's own family. Seeing that your family may not necessarily have the time and willingness to fill in that gap, it is essential to prepare in a way that ensures your independence is maintained.

This especially applies to scenarios where care is required. Plan your finances to ensure that any such needs can be outsourced to avoid heavy reliance on family members. This will make them respect you more and prevent situations where they need to avoid you. Another tip that could help is having a social circle with people on a similar wavelength as you are so that you have like-minded individuals to talk to and relate more to.

Exercise

Exercising should be part of your daily routine that presents two advantages: it keeps you physically healthy and helps you maintain a positive mindset. Daily exercise will also help you avoid health-related complications that could otherwise suffice as a result of not being engaged full time.

Exercising can take a good part of your schedule and will also improve oxygen flow within your body which in turn leaves you feeling fresh and uplifted. What better remedy is there than to keep your body moving which in turn leads to a healthy mind too?

Eat Healthily

This goes hand in hand with daily exercise. The correct nutrition must be observed to allow the effects of your physical efforts to kick in. Feeding on junk to kill boredom will never be a value-adding aspect of your nutrition. Consuming fresh fruits and vegetables will supplement your physical exercise routines beautifully and make you feel younger! After all, who doesn't like to feel young regardless of their age!

The combination of physical exercise and correct nutrition is a beautiful way to feel alive and vibrant during these times. Your body will support you if you nourish it in the right way!

Breed a connection to spirituality

This is the best time to explore new concepts and one of the most helpful and value-adding subjects one can invest their time is on spirituality. This is the one topic that brings great meaning to life and helps one cope with a variety of issues.

It also equips you with tools that enable you to understand life in a deeper sense and help you accept the status quo.

Retirement comes with unforeseen challenges and spirituality is a tool that helps individuals tackle the unknown.

Retirement is often perceived as a phase of 'boredom', 'feeling lost', 'feeling incapable', and 'not doing much', to mention a few. By engaging in activities that drive our spirit, this can be transformed into a period of contribution, self-care, reflection, and change.

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Africa Needs the WHO

Is America's Withdrawal from Funding World Health Organization a deliberate Act of Science betraying the Poor People of Africa?

BY ALEXANDER OPICHO

On 7th July 2020, Donald Trump announced that America would stop funding the World Health Organization (WHO). When America stops funding the world health agency like WHO in times like this, it means that the COVID-vaccine for poor countries will delay to come, and would also have negative implications on malaria treatment and other medical services to Africa. If we the living people of Africa, could observe the measures put in place to prevent the spread of the virus, then I am sure a million deaths, as predicted concurrently by the Western media, Melinda Gates and World Health Organization (WHO), are not going to happen. And indeed, the COVID-19 related mass deaths are not going to take place in Africa. We believe that those in the West soothsaying mass deaths in Africa are only driven by shame, sense of guilt, sadism, ignorance, professional dilettantism, and traditional pedantry that always accompany racially-induced bourgeoisie intellectualism, especially when the African question is under discussion.

The potential impact on Developing Countries

Africa has been under threat of viruses for the past three decades - the number of Africans killed by Malaria in the past ten years is unspeakable. This is the same statistical case to the number of deaths caused by HIV, Ebola, cancer, and Snake-bites in Africa. Today, Africa is threatened by the COVID-19 pandemic.

So far, Africa's economy is already emasculated by the early stages of the ever-burgeoning infectious spread of COVID-19; a condition fit enough to justify prediction with a minimum error that Covid-19 has all the capacity to wipe out the human race from the face of Africa.

Africa of today is more vulnerable to COVID-19 more than the native Tasmanian was to the special virus during the period of the colonial rampage on Australia. It is unfortunate that the anti-COVID-19 measures put in place are already getting undermined by the conditions in the economically unprepared Africa -not to mention the tradition of officiousness that has made most of Africa's health care systems mediocre, unresponsive and overtly displaced when it comes to service quality in the public health systems.

Now is a time for unity in the global battle to push the COVID-19 pandemic into reverse, not a time to cut WHO's resources - which is spearheading and coordinating the global body's efforts.

More discouraging is, for the longest time, the palpable sham conditions in the form of quantity and quality of hospital facilities in Africa. Honest intervention would go with a model that readily gives Africa a vaccine. What Africa needs is a vaccine or a drug that can cure HIV, Ebola, and COVID-19, but not a supportive and supplementary treatment that puts Africa into a position of a perennial borrower for health services.

All typologies of social modeling point to the possibilities of future historians blaming science for betraying Africa. Science and leaders of scientifically developed nations will not escape this blame. This is so under the light that any logical thinker about the world as a social system would not fail to find the burden of the virus in Africa as a moral buck that stops squarely at the Western tables, given the technological and capital resource superiority in the medical researches that the Western societies enjoy. This is a fact that borrows its justification from the serial manner in which American, European and Japanese societies have produced a lot of medical and chemical scientists that have always won all the Nobel medicine and Chemistry Prizes since the inception of the Nobel Academy.

It is believable that the culture of recognizing scientists and Economists for Prize at the Nobel Academy will not go on a for a long time without being faulted for being an intellect-civilization that can easily prompt a curious mind to wonder, however genuinely, whether the Nobel Academy is only a bourgeoisie institute that is out to flirt with intellectual rat-chasers posing as scientists.

'More transparency' — Do we need reforms?

Some basic logic in support of the above type of arguments averagely hinges on the philosophy that the essence of a prize-winning medical scientist in any society at any time is to protect mankind from the disease. And by extension, it is an argument that the plethoras of Medicine Nobel Laureates from the Western World do not deserve all the pomp, respect, and dignified treatments they have always enjoyed under the light of the fact people of Africa are ever buckling under the terror of Ebola, HIV, cancer and now Covid-19. We cannot tell if this type of thinking can also be extended to make a critical observation about America, China and other rich countries displaying extreme energies when it comes to designing non-imperative technologies like spaceships, sophisticated automatic missiles like drones, internet-based computing technologies, as well as developing geo-spatial technologies for monitoring Mars-quake statistics with exactitude but only to display serious naivety and sorriest incompetence when it comes to developing HIV, Malaria, Covid-19 and cancer vaccines. If this model of critical thinking can be morally acceptable, then it will not be wrong for one to wonder whether there are some Machiavellian tricks in form of intellectual dissembling and technological volubility in the practice of Western Science to make the Western man an effective brute, a basic virtue for becoming a global Prince.

Why U.S. withdrawal is wrong

The type of victimhood conscience that Africa suffers is also an echo of general human conscience calling for the scientist from developed countries to come out snobbish trappings and announce a vaccine for COVID-19, instead of keeping on to play politically instigated bourgeoisie economic tricks that will definitely put Africa in a position of being the absolute importer of ventilators, sanitizers, and COVID-19 management manpower. At least President Donald Trump has done something to announce that Chloroquine and Erythromycin can cure COVID-19 - these are laudable efforts under the unfolding global junctures of COVID-19. However, poverty of credibility will not miss to pin down President Trump given the fact that he is neither a scientist, a public health researcher, a virologist, a microbiologist nor a nano-chemical scientist. Trump does not have any mettle befitting him to announce any scientific discovery unless he wants to take the world to the pages of Galiloe's Daughter, a book by Dava Sobel, in which the Roman Emperors from Medici family robbed Galileo Galelai the rights to his scientific discoveries. His acts of trumpet-blowing for Chloroquine as a cure for COVID-19 is an overtone of immense pressure the leader of any State can undergo for having mistakenly believed that the country he rules has able scientists only to discover in time under moments of exacerbating disaster that he has no any forthcoming and timely scientist in his country. It is an expected phenomenon of political psychology in such situations.

What are the ramifications if it does?

Poverty is a key challenge when it comes to fighting COVID-19 in Africa. The currently recommended behavioral change measures put in place are components of a social policy that does not work well among poor societies like the ones we currently have in rural Africa. For instance, in Kenya, the urban poor is not able to stay home even under pressure from police reinforcement; this is so because the poor people of urban Kenya must go out to look for food on daily basis. Thus, the current experience is that Kenya's slums dwellers still slip through fingers of the police barricades and throng out onto the streets to look for clean drinking water and food for the day. This is nothing else but a show of conflictive weight of urban poverty on government policy - which has consequently persisted in the world alongside troops of Economists from Harvard and Cambridge.

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Embracing the Paradoxes of Leadership

How can we sync our ambitious aspirations with maintaining our business-as-usual that funds these innovative and profitable visions of the future?

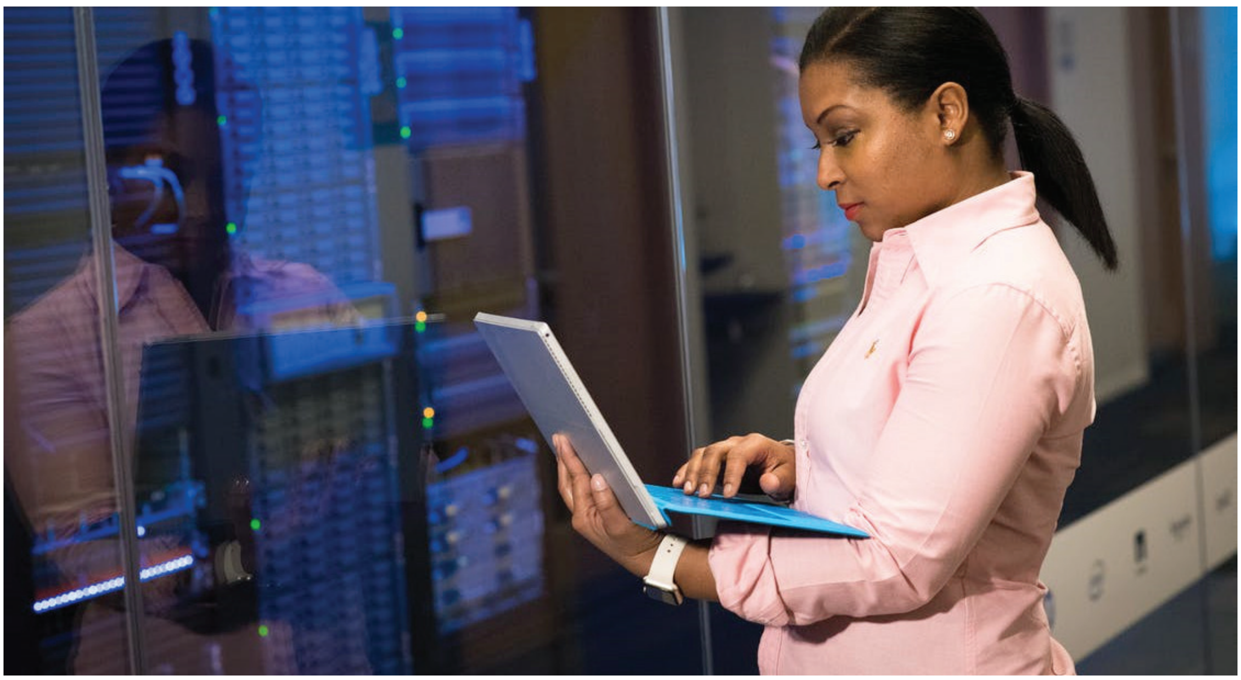
BY FRANCIS FONDO

It requires a lot of ambition, unfettered determination, and focus to reach the highest office in a corporate setting or top position of an institution. One has to speedily and competently do more work than others so as to be deemed right "fit" for the job. Ironically having stepped up there, you will most likely have to change your approach in dealing with people. That ambition, hurry for results, and fierce determination has to give way to a more relaxed, calm demeanor in front of people so that they do not feel that you want to dominate every opinion, conversation, and meeting.

While working as a manager in middle management or at the top management team, you have been used to working with speed, showing that a sense of urgency is a pre-requisite in beating competitors in the industry in order to secure a higher market share and with it more customers. When you become CEO, you may have to reduce your speed lest you appear as pushy, arrogant, and unbearable. Why is this so?

Leaders and teams

When you reach the top of the organization it soon dawns upon you that you have to work with the people you have. This is particularly so in the public sector. In the private sector, you may be allowed, as you negotiate your terms with the board of directors to bring in a few key people such as Head of HR, Finance, Legal, Marketing and Procurement. It may not always be possible to do this because it has legal and financial implications. Terminating people so



that they are replaced by your team may prove cumbersome due to the cost involved in paying compensation. Worse, the team that you want to bring in will certainly dim the career prospects of staff who have patiently been waiting in the wings for a promotion.

One of the lessons you will have to learn is that in every organization, there are good staff with high ability and motivation to perform while others are average and some are not good at all. As you settle in the job, you start looking into ways of dealing with the situation since your immediate target is to hit the ground and grow the business. You soon realize that it may not be possible to achieve this goal as some of the employees do not measure up in terms of performance and their cultural orientation. Quick changes to replace such staff may be resisted not only by the umbrella staff union but also by the very best of people that you have inherited. The last thing you want when you are at the top office is to be greeted with negative industrial relations, work stoppages, go-slows, or strikes. What you will have to do is accept that every employee has their good and bad side.

Coaching v. Upgrading Talent

Creating a great organization or achieving organization growth requires skills that involve patiently coaching staff so as to uplift their performance abilities in a way that they appreciate that the "boss" means well for them and that it is in their best interest to cooperate. There is a passion that each human being has which drives them. It is more or less a secret code as Adam Bryant writes in his book The Corner Office. As a CEO or any leader for that matter, you will create a huge impact on how they perform in their jobs if you can ''turn on'' their high-performance lights.

To do this, do not wait for the annual performance review ritual. Many organizations use annual employee appraisals to provide feedback to employees hoping that this will be the right moment to coach them and show them how they can improve their performance. Studies have shown that such reviews have limited usefulness, if any, in attempting to ramp up employee skills and motivation. What organizations need are real-time conversations after each activity, job, or project.

A leader has also to learn that despite his impeccable record as an achiever, which propelled him to the top of the organization, a command-and-control and top-down approach will not get any CEO very far. It is worth remembering that in the business of the organization, there are many people with vital ideas on how to grow the business. If they notice that you have a "know-it-all" attitude, they will hold back all those ideas that they have and keep silent. At worst, some staff may leave the organization for other places where they feel recognized.

The paradox mindset

As the CEO, you are both a manager and a leader. This is one of the paradoxical aspects of this job. You are given all resources by the board and out of these, you have to produce results. Management is a measurable service - if you cannot produce results with these resources, you will be shown the door.

On the other hand, you are a leader and leadership is an art. This is the secret ingredient that will make employees rally behind you and commit their lives 100 percent to serving you. The mere fact that you financially enable your staff every end of the month does not mean much. For employees to go that extra mile to work for you, you need to touch their hearts. Remember people report to managers but they follow leaders.

How do leaders inspire people to follow them?

The late Steve Jobs of Apple sold his employees the dream of Apple Inc. being a company that makes products that evangelize or change the world. This was a powerful purpose to the employees and made them believe that whatever they did at apple had a higher calling - that of changing the world. This created a powerful meaning in whatever they did daily. It is different from just making a living.

Something else to remember is that the CEO's business is not to sit in a corner office waiting for reports and departmental briefings to come day-in-day-out. Yes, internally there are important things to be done in the organization such as staff selection, strategy development, culture setting, and review of organization performance. Perhaps 50 percent of the success of the organization will be derived from these internal organizational initiatives, while the remaining 50 percent is about the leader going out to meet customers to obtain feed-

Our work, whatever it may be, ultimately isn't just for the betterment of ourselves, but should always be for the betterment of others.

back on their opinion about the organization's service/products. It is also about going out to wherever employees are stationed to understand their perspectives about how the organization is performing, how performance can be improved, and where challenges lie. According to Adam Bryant, the CEO has ''to lock himself'' out of his office!

Why should the CEO lock himself out of the office?

Getting customer and staff feedback from the field is critical for the organization's current and future performance, for this is how growth opportunities will be identified. It is important to avoid the trap of organizational politics. It is essential to realize that once in the corner office, it is easy for the CEO to get into an ivory tower mentality. This is where all managers going to the CEO's office have sugar-coated their briefing notes to blame everyone else but themselves about their poor performance. All information being delivered to the CEO has been processed and managed in a way that the truth is hidden. This is how organizations start going down the drain because the CEO's access to reality has been blocked. Real employee engagement is lost and the organization starts to lose talent because the good people are not being listened to and so they leave.

Leadership Paradoxes – The Takeaway

Finally, just as the CEO's job is to coach, mentor, and grow his employees, he needs to grow too. Getting to know what people feel about how you treat them or conduct meetings is of critical importance. Are you domineering, impatient, or abrasive? Let employees tell you this through a 360-degree feedback system. This is the only way you can grow as a leader in your CEO career.

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Ways to Successfully Put a New Twist on Legacy Industries

Don't feel like you need to reinvent the wheel. Instead, inject some life into an already proven model.

It happens to everyone eventually. One day your business is the embodiment of the cutting edge, but within a few years — or even months — your team is scrambling just to keep up with competitors.

It's a problem not solved simply by working harder or cutting costs, but one that requires introspection and reinvention. Although the end goal of some industries might remain the same for years, the "how" aspect of the game will almost certainly change.

All industries eventually become outdated. Case studies have consistently shown that computing power has doubled every year since 1965, and given technology's exponential rate of progress, the window of relevancy is increasingly narrow.

Though there is no outright cure or escape from this cycle, there are opportunities within the chaos. By following a few sensible steps, you can give your business the tune-up it needs to confidently forge a way forward into the next era.

1. *Read the room*

Before committing to any major moves, take an objective view of your industry as it currently stands. Consider it an inventory of sorts of the past 10 to 20 years without your personal standing or desires weighted.

This is not the time for sentimental

attachment or continuing strategies rooted in mere habit or ease. This is the time to collect everything you can from past to present and research trends and new practices like your business's life depends upon it.

Identify what has stayed constant for more than a few years and what is all but certain to be phased out soon. It's clear across many industries that trends such as virtual teams are the future, but that doesn't necessarily mean you need to make any drastic action immediately. Consider all the options that are out there, then identify those that fit your business and integrate naturally within it.

For some trends, the data and verdict have been decided. For example, studies have shown that the remote workforce has grown by 80 percent over the past decade. When the writing on the wall is this legible, it is time to start positioning your business for a pivot. While a substantial business model shift might initially make you uncomfortable, the wave of change is coming regardless.

There's not an industry out there that can afford to rest on its laurels too long these days. Read the room of your industry patiently and impartially; once you feel you have absorbed enough information, make your move.

2. *Commit to a strategy*

Once you have the hard data in hand, it's time to whittle down the options and commit. While it may be tempting to do a drastic overhaul of your entire business, this is a desperate measure that could end doing more harm than good. Start small, roll out your new strategy incrementally, and, if proven effective, make it the new norm.

To put a new twist on old industries, you need to be willing to question what's long been widely accepted. Any 21st century operating model has to be somewhat fluid, but when a strategy is settled upon, it must be followed by relentless execution. It's a mindset that requires complete and total commitment on the part of the entrepreneur. We didn't reinvent the wheel; we just committed to doing things differently from everybody else — often, that's all that's needed.

When you find the angle or niche within which you are confident you have an advantage, don't hesitate. Commit enough resources into the agreed-upon strategy and then allow it enough breathing room to flourish.

3. *Track and adapt*

If you aren't tracking results and gathering data like it's gold, then none of the preceding steps will matter much. Keeping a finger on the pulse of your business has always been important, but it's now vital to track and adapt to trends as they unfold in real time.

Set clear key performance indicators, goals and timelines which are shared and known throughout your whole team. See where you can draw a distinct line of causation between your new strategy and results, rather than just seasonal or random correlation. Without objective measurements, even solid strategies can founder and lead to frustration when it is unclear whether they are working.

Having a measurable threshold of success matters. Just as you were impartial in deciding what old practices might best be left behind, if all the signs point to your new strategy not working, it might be time to pull the plug. There's an inherent risk of attempting anything new, and it is best not to dwell.

Tracking and adapting through both booms and busts is no longer just a healthy practice, it's now almost non-negotiable when trying to revamp a business model for the future.

4. *Prepare to keep changing*

It might not be a comforting thought, but the truth is that the finish line no longer exists for many in the business world. You can set certain benchmarks of success, but once attained, these goals commonly shift or grow in scale.

Where once technology served businesses as a mere tool, now a reversal has occurred, in which almost all industries are at the whim of massive tech trends. No industry is insulated, and only through near-constant research and refinement can you keep your business not just surviving but thriving.

If you want to make it for the long haul, then don't even bother asking when the changes will stop. Old and ineffective business models are falling to the wayside faster than ever, and those willing to adapt and grow are already reaping the rewards.

from **entrepreneur.com**

WAYS TO HELP PROTECT YOUR VEHICLE FROM THEFT

KEEPING YOUR CAR SECURE IS A BIG WORRY FOR MOTORISTS. HOWEVER, THINKING LIKE A CRIMINAL CAN KEEP YOUR CAR SAFE.

BY WAMBUI WARUINGI

We invest a lot of time and money in our cars as well as in their maintenance. And the more expensive the vehicles are, the more chances there are that they will end up getting stolen from some parking lot or even someone's driveway.

What's more, is the fact that nowadays, car thieves use hi-tech and non-invasive techniques that make it very easy to slip under the radar and escape unnoticed.

So, how do you help protect yourself from becoming a victim of car theft?

PARK SMART

If you have a garage, use it. This means keeping the garage door closed and the door to your house locked too.

It's also easier to take a car that's out on the street. If you must park outside, be sure to park in well-lit areas and use your parking brake. If parking in your driveway, park a front-wheel-drive vehicle in front first, and back in a rear-wheel-drive, which will make it harder to tow away.

SECURE YOUR CAR KEYS

Most modern cars have a memory chip in the key which makes taking a car harder because thieves can't hot-wire vehicles as they did in the past.

But people often leave their car keys in the hallway, on the stairs, in handbags left downstairs or in the kitchen.

It's best to keep your car keys on your person when not at home. When in the house, put them in a drawer or cupboard that's not an obvious choice.

In addition to the above measures, it is also advisable to reprogram any spare keys you got from previous car owners. If you have a habit of buying used vehicles, this will ensure maximum car security as it will disable any potential break-ins.

HIDE ANY VALUABLES

These days, people treat their cars like storage units and second homes. It is not uncommon for an individual to leave technology, books, makeup, and clothing in their vehicles between their daily activities.

By leaving valuables inside your vehicle, you are making your car a more appealing target to thieves. Whenever you park the car, it is, therefore, crucial to take anything of value with you. If you are away from home and unable to take everything with you, make sure to at least lock valuable items in the trunk or keep them in a place that is not that easy

to spot when passing by the car.

LOCK IT UP

As simple as it sounds, most thefts are crimes of opportunity. So be sure to always lock the doors, roll up the windows, and close the sunroof.

It is also highly recommendable to manually check the car door handles every time you lock the car, even if you hear the "lock sound". This helps recognize and prevent a possible jamming attack, which can be performed on any car with a wireless key fob, and works by disrupting communication between the car key fob and the receiver inside the car.

VISIBLE SECURITY

When you leave the car parked up, use some visible means of security other than the alarm. A steering wheel or handbrake lock is quick and simple to fit and act as a clear deterrent to any passing car criminal. Basic devices may not resist attack for long, but more substantial ones require power tools to remove. Thieves will simply move on to a less well-protected target.

Another simple step to making ne'er-do-wells walk on by is to park your car with the wheels turned into the curb or pointing towards another car parked next to it. Again, it's about frustrating thieves and making it much harder for them to push or tow it away. A simple tip, but it could save you an insurance headache.

ID THE VEHICLE

Consider purchasing a vehicle equipped with anti-theft labels, or even getting your vehicle identification number (VIN) professionally etched onto each window and other major parts of the car.

Not only can these allow the vehicle to be traced and identified more easily after recovery, but it also makes the car less attractive to steal, as it will be harder to sell.

Besides etching, some companies also provide non-removable stickers with unique numbers that can be placed on certain parts of a vehicle.

FIT A CAR IMMOBILIZER, ESPECIALLY IF YOU HAVE AN OLDER CAR

A car immobilizer is an electronic anti-theft device that prevents the vehicle from being started without using the proper key fob. It works by disabling the systems that are crucial to start the vehicle, which is usually the fuel system and ignition. An immobilizer will not prevent a thief from breaking into the vehicle, but it can successfully stop them from driving away with it.

INSTALL A TRACKING SYSTEM

This may not prevent theft, but tracking systems can help locate and recover a stolen vehicle quickly. They emit a signal that allows police or monitoring service to keep tabs on where the vehicle goes.

Self-tracking GPS units are also available and allow vehicle owners to place devices inside the vehicle, allowing them to locate where the car is via their smartphone.

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Building Your Team Remotely

Humans are hyper-social creatures who long to belong. Turning Social Distancing into Distant Socializing goes a long way.

BY JOYCE KADUKI

Pre-coronavirus pandemic, many organizations had established traditions of regular team-building events and activities. These were planned to promote less formal employee interactions, and ranged from work-themed events aimed at building new skills or building new strategies; to lightheartedly fun, friendly, and creative laughter-inducing activities which helped employees to bond.

Benefits of team-building activities

Companies invest in team-building to improve employee morale, interpersonal communication, team spirit, sense of community, and foster positive cultures. These work to improve teamwork resulting in improved productivity -the bottom line of corporate organizations, and greater impact for the non-profits. According to a Gallup publication titled, 'Why is teamwork important in the workplace?' teamwork helps in retaining an organization's best people, driving revenue and increasing employee engagement.

Implications of Covid-19 on team-building

The Covid-19 outbreak has led to containment measures such as staying-at-home being advised and put in place by international health organizations and the governments to limit the spread of the disease. This has disrupted most work setups and processes - including team-building.

In July, the Kenyan government put in place a mechanism for gradual re-opening of the economy. This has seen a cautious return to the office by some organizations. Employees are however required to observe strict social and physical distancing guidelines.

Under these new work arrangements, organizations have to come up with creative ways of fostering a sense of team spirit and cohesion, in addition to improving the overall mental health of their employees. This is especial-

As we increase our social distancing efforts and have fewer people around us, building connections and socializing becomes ever more important for colleagues.

ly important considering that studies have already established that remote work has an undesirable impact on employees' wellbeing.

A 2019 'State of remote work' report by software company Buffer showed that 19 percent of remote employees from around the world report loneliness as their biggest challenge. An earlier survey by cloud services provider CoSo Cloud established that more than half of remote employees felt disconnected from their in-office colleagues.

Ideas for remote team-building

What does all this mean for building teams in the present times?

While it may be challenging to strengthen remote teams and improve collaboration among dispersed teams, it is still doable.

By exercising some creativity, you can bring your team together without bringing them together through a set of strategies, events and activities. Below are some ideas that can all be executed virtually;

Icebreaker games: Depending on how long team members have worked together and their level of familiarity with one another, these may be initially organized around surface-level questions. As employees get more comfortable around each other, questions which require employees to disclose more about themselves may be asked.

Build a storyline: Everyone loves a good story. One person gets a story going, and the rest take turns in adding a few sentences or a paragraph, till everyone has had their turn. This exercise often demonstrates team diversity in terms of the ideas, thought patterns, choice of words and characters, plot development and delivery styles. The exercise can be effectively used to highlight the fact that team members should allow their differences to complement and complete one another.

Personality quizzes: These may be designed around helping employees discover aspects of their personality that they might not be aware of - but which others see and know - as well as those of their colleagues. The activity is aimed at improving camaraderie among team members.

Online 'water cooler' chats: Encourage forums where colleagues meet for non-work related chats. Many organizations already have these in place. Variations include virtual coffee chats and happy hour.

Trivia nights: These may be organized around general knowledge items, sports personalities, national events, information about the 47 counties, international celebrities, global business leaders, popular books or authors, and more. They can be organized on a platform like 'kahoot'.

Card games: With some ingenuity, games like 'Pictionary' and 'Taboo' can be successfully planned and played.

Movie nights. Employees could vote from a choice of widely acceptable movies, and settle on one to watch together. This may be screened from one computer, and the screen shared with colleagues. Running commentaries - without giving the story-line for those who have previously watched the movie - can be shared using the chat function.

Singing and/or dancing competitions. More adventurous teams can have singing and dancing competitions.

Fitness challenge: Team members could agree on an extended challenge, for example, 30 days. They may choose to meet at an agreed time each day and exercise together, and then compare notes at the end of the month. A comfortable set which can be done easily at home is Leslie Sansone's 'Walk at home' program. Invite team members to also share ideas of what has worked for them.

Remote Working doesn't have to Kill Employee Engagement

Some of these ideas will work better than others for your team. You may also choose to open up some of the activities to family members. Try different ideas until you figure out what helps your employees connect better.

The important thing to remember is that with creativity, you can turn social distancing into distant socializing, and build and maintain a healthy team culture.

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Cushioning Nakuru County Against COVID-19 Economic Effects

By mustering resources at its disposal and deploying the latest technology, Nakuru County has mitigated the effects of COVID-19 to a significant extent.

BY REITZ MUREITHI

To survive through the COVID-19 pandemic, institutions, businesses and individuals alike have been asked to practice acceptance and adaptability. Accept that the pandemic has changed how day to day business was run and adapt to what is now termed the 'new normal'.

The pandemic has also affected the way government services are offered and revenue is collected forcing public service officers to find solutions through digital platforms. Nakuru county pioneers in the move with digital technologies to confront the pandemic.

Using Technology to Cushion the Impact

Residents in Nakuru County now pay their land rates, parking fees, and licenses through Zizi digital platform. The platform allows residents to make payments without interacting with parking attendants or any other revenue officers.

According to the County's Head of Revenue, Sir Charles Lwanga, the system is an improvement of a previous system that was inherited from the Municipal Council. Previously, data used to be collected and stored manually - making it hard for revenue officers to determine those who had remitted their taxes and those who had not. However, Zizi can track transaction history thus increasing accountability and transparency.

Through a USSD code, *860#, motorists can comfortably pay their parking fees. Additionally, as from August 2020, the Nakuru County residents living in county houses started to pay house rent through this platform.

"The system will eliminate cash collections and make revenue collection more efficient which will ultimately increase our revenue," Mr. Lwanga added.

At the same time, the system will enable the County Government to forecast revenue collections hence make a reliable budget. With time, the system will be updated to enable landowners to apply for approvals online and generate the required forms digitally.

"Having one centralized system will enable the integration of third parties like banks which then provides different payment modes for those paying rates and licenses to the County. This will then streamline our revenue collection," he noted.

E-Agriculture

Another area that has seen a significant change is the agricultural sector. As a County that is best known for its prowess in agriculture, the County Government has had to look for ways of offering extension services to farmers without personal contact.

In September 2010, the Centre for Agriculture and Biosciences International (CABI) introduced Plant clinics in Nakuru County through the plantwise initiative. Piloted in Subukia and Bahati, the program enables farmers to take pest-infested plants or plant parts to a plant doctor (plant doctor is an agriculture extension officer who has undergone rigorous training on plant health issues). Plantwise has continued to introduce more plant clinics such that by March 2018, there were 19 clinics under Plantwise.

However, in the face of the

> **Given the size and scope of the economic impact of the pandemic, there is the need to implement recovery strategies to stimulate demand.**

COVID-19 pandemic, farmers have been forced to send in photos to the plant doctors across the County who in turn diagnose and give clinical data analysis. The results are then sent back to the farmer through SMS or WhatsApp within 24 hours, with detailed information on the proper pesticide to use on the crops.

The use of ICT in the department has been an upgrade giving farmers real-time information on farming as well as sensitization on the COVID-19 prevention guidelines. Agriculture CEC Dr. Immaculate Maina said the agriculture officers are also able to communicate with farmers through the Nakuru Farmers call center.

Tourism and Remittances

Nakuru County is also a tourism hub boasting of five lakes in the region and a variety of globally acknowledged tourist attraction sites. One such site is Lake Nakuru National Park known for the spectacular flamingos at the Lake as well as Lake Elementaita which is a globally recognized Ramsar site.

However, the Coronavirus pandemic has forced the near closure of these places leaving the government to call for local tourism as a measure of keeping the sector afloat. In this regard, the County Government of Nakuru partnered with an outfit dubbed Nakuru Tourism Association (NTA) to encourage local tourism and the promotion of unexplored sites within the region.

NTA is made up of hoteliers, tour guides, tour companies, and other stakeholders in the tourism sector. According to the Trade and Tourism Executive, Mr. Raymond Komen, the County Government has laid down different recovery strategies that include discussions with the Kenya Tourism Board, Tourism Fund, Tourism Finance Corporation, Tourism Research Institute, and the Tourism Regulatory Authority on how to revive the industry.

"Tourism contributes a lot to the economy of Nakuru. We are working closely with the hotels, parks, and tourism shrines to facilitate prompt testing of their employees and hopefully get their businesses back to running as soon as possible," Mr. Komen said.

He added that the industry is keen on setting up a sustainable recovery strategy that will guide the reopening of hotels and tourist attraction sites with the recent lifting of local and international travel bans.

In the meantime, Mr. Komen encouraged residents to adopt local tourism adding that strict COVID-19 prevention guidelines were being adhered to. There are rich tourist sites in the county yet to be explored, and the promotion of these sites will boost tourism. This will improve the economy of those living around the sites and that of Nakuru County as well.

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Mental Health and Wellness Amid Covid-19 Pandemic

Fear and anxiety about a new disease and what could happen can be overwhelming and cause strong emotions in adults and children.

BY JOSEPH G.MUTHAMA

Since Covid-19 was declared a global pandemic in March 2020 by the World Health Organization (WHO), the global economy has never been the same again. The menacing virus has made the global economy to run amok – it has caused untold financial and economic damage to individuals, families, communities, and nations. The scourge of unemployment and business failure has plunged many Kenyans into the stresses and strains of financial, psychological, and mental difficulties. The anxiety, stress, financial strife, grief, and general uncertainty of this time will undoubtedly lead to a behavioural health crisis.

Stressors particular to COVID-19

Generally speaking, the lack of employment, diminished disposable income, and collapsed businesses. The free fall of property prices and plummeting of Kenya shilling against international currencies have made a substantial number of Kenyans to perceive themselves as valueless and worthless. Many Kenyans, for example, are struggling to come to terms with the fact that the Coronavirus pandemic is here to stay. Such overwhelming problems can easily lead to mental distress and suicidal thoughts. Ironically, to suppress the negative effects of Covid-19, many people have resorted to drunken stupors, hard-drinking, and drug dependency thus further aggravating the situation.

Stigma and Prejudice

On the other hand, victims of the virus have lamented how they have undergone mental and psychological distress in the hands of their spouses, families, community, and society in large after details of their status were made public. Due to psychosomatic disorders and low-self-esteem, some victims have contemplated committing suicide. A 2017 World Health Organisation (WHO) annual report ranks Kenya as 6th among Africa countries with the highest depression rates. The WHO of the UN defines mental health as, "a state of mental well-being in which people cope well with the many stresses of life, can realize their potential, can function productively and fruitfully and can contribute to their communities."

It is saddening that whenever somebody suffers from mental illness, the conventional wisdom has it that mental illness is madness or witchcraft. Worse, the victims are afraid to discuss mental health illness due to stereotypes, discrimination, and stigma associated with it. Put simply, victims tend to tiptoe around the delicate subject of mental illness. According to Dr. Rudi Eggers, the WHO Representative to Kenya, "Mental health still maintains a neglected part of the global efforts to improve health. People with mental health conditions experience widespread human rights violations, discrimination, and stigma."

Addressing Socio-economic disparities in mental health

During the reopening of the economy and society on July 6, 2020, President Uhuru Kenyatta addressed such issues as rampant teenage pregnancies, gender-based violence, and increased mental health issues. He appealed to social institutions, including religious institutions, to exercise civil responsibility to bring these unfortunate trends to an end. Stress coupled with life frustrations has made many Kenyans a depressed lot. Others suffer from psychological issues like manic depression and schizophrenia. When one is

depressed, the extra load of having financial problems makes the situation even worse. Poor mental health is a liability to the country's economy.

Big question is, in this dispensation of information technology, why are so many people struggling with mental health illness? Many victims of mental illness are unable to externalize their psychological and mental trauma. Although mental health care workers or psychiatrists are scarce and mental hospitals are limited, many Kenyans cannot afford even basic mental health care. Worse even, convalescent homes are non-existent while affordable and quality mental healthcare support remains a mirage. A 2018 report from World Bank pointed that a total of 1.9 million depressed cases were reported in Kenya by 2015 while the WHO report indicates that the number of suicides reported in Kenya rose from 58 percent between 2008 and 2017 to reach 421. The number of people who commit suicide every year is far much greater than those who are killed by malaria or breast cancer or by war or homicide, according to the WHO. More often than not, suicide is precipitated by mental disorders.

The new reality of social distancing and other safety measures is testing everyone. And for those living with mental illness, the pervasive climate of anxiety, stress and isolation may be especially harmful to your well-being.

An opportunity to strengthening mental health systems and policies

During the Covid-19 pandemic, suicide cases continued to soar. Undoubtedly, combating the mental illness scourge has not been a walk in the park. The UN recommends that "as part of a longer-term plan to improve the quality, reach and cost-effectiveness of mental health services, it is recommended to shift investments away from institutionalization to affordable, quality mental health care in the community."

According to May 2020, United Nations Policy Brief titled Covid-19 and the Need for Action on Mental Health, "good mental health is critical to the functioning of society at the best of times. It must be front and center of every country's response to and recovery from the Covid-19 pandemic." "Further, it is important for governments and other actors to communicate about Covid-19 in ways that promote mental health and psychosocial well-being." United Nations report urges.

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What to watch While You Stay At Home During Lockdown

Films can still offer an emotional hit like nothing else – and with coronavirus forcing swathes of us to hole up at home, they're needed now more than ever.

BY AMIANI NYANGASI

How often have we longed for more time to hunker in the bunker, with all the time in the world to brush up on our Fassbinder, or re-watch that beloved trilogy?

That time may be more theoretical than actual for many of us confining ourselves at home for the next several weeks; life in a pandemic, after all, does not mean a shortage of work to do, meals to cook, and for some, children to look after. We hope this list of recommendations and suggestions — all of which can be found on at least one or more streaming services, including Amazon Prime, Hulu, iTunes, Vudu, Netflix, etc — will be of use if and when you need it;

The Simpsons

What else is there to say that hasn't already been said about this towering pop-cultural landmark? In their 30-plus years on the air, The Simpsons have become something of a prophetic franchise, with several series plot points that became, to various degrees, a reality. Fans are now adding Tom Hanks' recent coronavirus diagnosis to the never-ending list of things The Simpsons has freakishly predicted.

Word is spreading that a 1993 episode of The Simpsons, an animated sitcom that has been on TV since 1989, somehow "predicted" what's happened so far in 2020, which, by the way, has included the COVID-19 coronavirus pandemic. The virus in The Simpsons episode also was gigantic, so gigantic that you could actually see it without an electron microscope, which is highly unusual for a virus. If viruses were indeed that large, it would be a lot easier to dodge, duck, dip, dive, and dodge them.

Anyway, coincidence? Maybe. But in the meantime, we're watching every episode to figure out when Yellowstone reopens.

The Mandalorian

Easily the most talked-about original on Disney Plus, this story is set in the "Star Wars" universe and follows a bounty hunter (played by Pedro Pascal), whose adventures are a cross between science fiction and classic Westerns.

"Star Wars" fans have gobbled it up, but so has anybody who laid eyes on "The Child," aka "Baby Yoda," who has become an adorable pop culture sensation.

If you missed out, then try a few episodes of this Western-inspired "Star Wars" spinoff about a masked bounty hunter and his doe-eyed little buddy.

Stalker

There aren't enough adjectives in the English language to describe the enchanting poetry of Stalker. Andrei Tarkovsky's sci-fi masterpiece, which regularly tops critics' best lists, delves into both the trenches of an apocalyptic wasteland and the depths of human souls.

Through a camera that sways as effortlessly as wind guiding a blade of grass, as well as Tarkovsky's location shooting (where does he find all of these flooded warehouses?), we enter ourselves and leave someone else. Fittingly, that's what the movie is about. Three men enter a forbidden pasture called "The Zone" and leave transformed.

Some Like it Hot

We could all use a laugh in these hectic times. And we can always use the breath of fresh air that is Billy Wilder. His well-dressed comedy, Some Like it Hot, might not be able to cure a pandemic, but it can certainly ail our dismay for a couple of hours.

Thanks to a bouquet of wonderful performances—mainly from Tony Curtis, Jack Lemmon, and Marilyn Monroe—this tale of cross-dressing musicians has earned its reputation as the Great American Comedy. It really is perfect.

Keeping Up with The Kardashians

Whether people want to accept it or not, Keeping Up with the Kardashians is the pinnacle of American pop culture. This is a family that went from being B-list celebrities to arguably the face of new American celebrity in the mid-aughts. Like procedurals, reality TV requires no thinking, and it's impossible not to get caught up in. If you ever thought, "I should see what the hype is all about," now's the time.

Keeping Up is ridiculously addicting, and, at the heart of it, the show is a story about sisterhood that really comes through as they become the influencers, we know them as today.

Garth Marenghi's Dark place

Doctors are facing huge challenges as they try to understand and fight COVID-19. But they can be glad they're not Dr. Rick Dagless, MD, star of a ludicrously awful TV series from (fictional) horror author Garth Marenghi.

Garth Marenghi's Darkplace is ostensibly a rerelease of this series-within-a-series, framed by commentary from Marenghi and his co-star Dean Learner. It's also a hilarious metafictional spoof of '80s horror and a portrait of a small, deluded, narcissistic man who's convinced he's a genius. Now, is explicitly laying out some shallow thematic tie with the novel coronavirus sort of contrived here? You can unofficially stream it on YouTube.

"Code 46."

We have never lacked for dystopian fiction, for movies that chart the instabilities of a fast-changing world or posit a grim totalitarian society with some eerie resemblances to ours.

But if you have already thrilled to the beautifully dark visions of "Blade Runner" and "Children of Men," do take a chance on Michael Winterbottom's gorgeously moody and melancholy 2004 feature, set in a future where social inequality reigns, comings and goings are ruthlessly monitored and empathy is such a dangerous aberration that it has become, quite literally, a virus.

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Whatever You Do, Don't Be Smarter Than Your Boss

We all secretly believe we're better than others, and the workplace isn't any different. In fact, many think that if promoted, they could do a better job than "the man in the arena."

BY JACKLINE MUKAMI

If you've ever had a truly inept boss - not the kind of inept where you hang up on people because you don't understand how the office phones work, but unable to do their job - you know what a frustrating experience it is.

On the other end, yes fine, you're might be the company's marketing rock star but do you know how to lead people as he does? You're the Excel spreadsheet master, but do you know how to turn data into business opportunities? You might be bragging a skill he doesn't even feel threatened about. And in most situations, your manager has that bigger desk because he offers something else that you don't.

Anyway, are you really smarter than your boss or is it just good old vanity and narcissism or rational observation?

Gaps in Belief

As you might've expected, there are some gender and generation differences when it comes to the belief that employees are smarter than their superior.

While a whopping 24% of men believe they are smarter than their boss, only 18.7% of women matched that response. This could be due to the confidence gap. While men tend to be more confident in the workplace and think they have all the skills, some women tend to be more realistic as regards to their expertise.

What's also interesting to note is that millennials are also more likely to believe they are more qualified than their managers compared to baby boomers and Gen Xers. That's because Millennials are both agile and tech-savvy, which likely fuels their belief that they are more qualified than their boss.

Taking Action

OK—

It turns out that the core reasons employees believe they are more qualified than their superiors are due to their people skills, a better understanding of day-to-day responsibilities, having more experience, better workplace ideas, and possessing a better personality.

While it's clear that there's quite a high percentage of employees that believe to be more qualified than their bosses, how many of them actually take action? Or rather what can you do?

Keep on dancing even if you hate the music

So you're one of those poor unfortunate souls cursed with an incompetent boss. We get it, life is unfair, and you just want to throw a major fit. But do you really want to make this situation even worse? You still have a race to finish, right?

At the end of the day

It's natural for many of us to be self-biased and think that we're too good for our bosses. Before you belittle your manager, ask yourself: are you better than your boss in all levels of competency, or are you just good in one area?

Also remember, it's not the end of the world when you report to a boss who shortchanges your growth and development. There are thousands of employees like you who fell into the same misfortune - but successfully refused to become a permanent statistic. Join them. I wish you the best of luck!

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