THE LEATHER SECTOR IN KENYA
SKILL GAP ASSESSMENT
EXECUTIVE SUMMARY
Table Of Contents

EXECUTIVE SUMMARY 3

KEY FINDINGS OF THE SKILL GAP ASSESSMENT 4
EXECUTIVE SUMMARY

The Africa Desk of IL&FS Cluster Development Initiative Limited prepared this gap analysis for the Kenya Leather Industry Development Program (KLIDP), funded by the USAID East Africa Trade & Investment Hub. KLIDP builds capacity along the leather value chain in Kenya to improve the sector’s competitiveness. It identifies gaps in skill requirements and provides actionable recommendations to serve as a guide for skill development in the sector.

From September 27 to October 8, 2016, a team of experts from IL&FS Clusters (India) conducted a diagnostic study to assess areas that need skill improvement across different segments of the leather value chain in Kenya. The study identified the leather industry’s current and future skill requirements and suggested actionable measures that could help in bridging gaps to enhance competitiveness. It also identified skill and infrastructure disparities benchmarked against global best practices, and made suggestions and recommendations based on best practices in India.

The study used primary and secondary data collection methods for both qualitative and quantitative data. Primary data was collected using specific questionnaires/information matrix formats comprising of both close-ended and open-ended questions. Secondary data was sourced from existing/recently concluded study reports, similar work undertaken earlier by multilateral developmental organizations, financial institutions, academic institutions, and nationally and internationally accessible databases. Policies from other countries were also studied to assess their effectiveness and potential for replication. For benchmarking in the Kenyan context, relevant best practices followed in countries like India and Ethiopia were mapped in detail in the report.

Stakeholder consultation and validation of this report helped calibrate the realities and limitations of the leather sector. The study benefited particularly from input and guidance from Dr. Arthur Onyuka, Kenya Industrial Research and Development Institute; Prof. Jackson, N. Ombui, Mr. Okumu, J.O and Mr. Joel Musyoka Mwondo, Department of Public Health, Pharmacology & Toxicology, University of Nairobi; Mr Mbogo, Animal Health and Industry Training Institute; Mr. Moses Mwangi, Director, Training and Production Center for the Shoe Industry; Mr. Peter Kanyuru, Head of Department, Leather and Tannery, Kenya Industrial Training Institute; and Mr. Douglas, Dedan Kimathi University. Critical contribution from artisanal clusters in Nairobi, Nakuru and Malindi ensured that this report aligned to the sector ambitions. The Ministry of Industry, Trade & Co-operatives, KLDC and Ms. Beatrice Mwasi, Executive Secretary, Leather Articles Entrepreneur Association provided support and guidance throughout the study.

The findings of the report were presented to key stakeholders for validation and input through a day-long ‘workshop’ conducted on December 8, 2016 at the Laico Regency Hotel, Nairobi.
KEY FINDINGS OF THE SKILL GAP ASSESSMENT

Skill Gap Based on Analysis of Leather Training Institutions:

Training curriculum
- The major gap noted in the current leather curriculum administered by institutions was that it does not have a strong emphasis on manufacturing concepts.
- Limited courses are available for both entry-level operators and skill upgradation of the existing workforce.
- Most of the offered courses have long-duration (2-3 years) fulltime courses. The standardization of curriculum is lacking and there is a wide comparative variation in the curricula and quality of training offered by various institutions.
- There is limited active involvement/engagement of local industry bodies while selecting and designing of programs, as a result there is a demand and supply mismatch between the industry’s immediate requirements and training being offered by institution.

Training infrastructure
- Very limited technology upgradation is done at an institutional level, irrespective of trainings conducted at university level or Technical Vocational Education and Training (TVET) level.
- The existing infrastructure, both physical and human, is assessed to be inadequate considering the projected growth in demand for skilled workforce in the industry.
- Most of the training institutions have only 2-3 training faculty, which is very low. The institutions are largely ill-equipped in terms of teaching space, laboratories, accessibility to latest reading material, availability of machinery, tools and tackles, therefore limiting the practical training experience of the candidates.
- Upgradation and maintenance of machinery and equipment at institutions is also a challenge due to shortage of trained manpower for troubleshooting, basic maintenance & servicing of machinery and limited technical know-how on machinery repair among the existing training staff.

**Trainners**
- Lack of skilled trainers and faculty is one of the key bottlenecks in skill development. The existing trainers are good at theoretical aspects, but have little industrial exposure.
- There is a lack of focus on development of trainers and absence of courses for training of trainers in the industry.

**Student mobilization/sourcing**
- Low enrolment is one of the critical challenges faced across all the training and education institutions. In general, the awareness about higher education and vocational trainings available in the leather sector is low.
- Limited promotional efforts are made by the training institutions on the type of courses offered.
- In general, students lack knowledge of career progression in the industry and associate poor employment prospects with the sector.

**Lack of post-training placement, monitoring and tracking of trainees**
- Majority of training centers do not offer guaranteed support for job placement or setting-up of own enterprises.
- Insignificant attempts are made at institutional level to track and monitor student or take industry feedback on their performance.

**Workforce related issues from industry perspective**
- Lack of correlation between industry demands and provisioning of skills by local institutions create an employment gap:
  * Industry challenges often relate to the quality of the workforce obtained rather than getting the required number of workforce. Quality issues are reportedly two-dimensional – lack of technical knowledge and behavioral aspects (soft skills). As a result, majority of players train the workforce on job-training but this has a significant cost and productivity implication for the industry.
  * Growing quality consciousness and strict import quality benchmarks requires the industry to upgrade itself to the best practices being pursued globally. Besides, with globalization the domestic industry is faced with stiff competition from cheaper and better quality imports. To remain competitive, it is necessary to have trained and more specialized staff with technical skills that work productively, handle imported machinery and equipment efficiently, and deliver quality with minimized wastage.
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<thead>
<tr>
<th>Industry Levels</th>
<th>Key Job Roles</th>
<th>Key Skill Gaps</th>
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<tbody>
<tr>
<td><strong>Hide &amp; Skin Segment</strong></td>
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| Animal rearing & management | Producer, vet/para-vet, extension officers       | • Poor animal husbandry measures  
• Lack of knowledge on scientific branding techniques and significance  
• Poor knowledge of grading and hide & skin value  
• Scarce availability of vets/ para-vets & extension functions |
| Slaughtering, flaying & preservation | Butchers/slaughter houses, flayer, micro/village tanner | • Incorrect ripping leading to hides of poor pattern  
• Improper use of flaying tools & techniques  
• Improper curing |
| Storage & transportation | Skin collectors/ middlemen/ traders               | • Knowledge on proper handling practices.  
• Sorting and grading skills |
| **Tanning and Finished Leather Segment** |                                                   |                                                                               |
| Operator level | Fleshing, drum operator; splitting and sammying, shaving, softening/staking, toggling, de-dusting and plating, buffing, finishing | • Shortage of skilled and experienced resources  
• Most of the skills learnt on job  
• Lack of institutions to train workers to work on machineries  
• Insufficient knowledge about the machinery handling, repair and maintenance  
• Limited awareness about modern technologies & systems |
| Executive level | Sourcing manager / procurement officer, quality control executive, machine mechanic | • Lack of formal training in material planning & supply chain management  
• Knowledge of quality parameters of hide & skin selection  
• Communication & negotiation skills  
• Gap in knowledge of international quality standards  
• Gap in knowledge of multiple machine preventive check, repair & maintenance  
• Absence of recording and displaying standard operating procedure |
| Manager/supervisory level | Technicians/supervisors                          | • Shortage of skilled and experienced resources  
• Lack of leather technologists and chemical engineers  
• Knowledge of quality parameters of hide & skin selection  
• Knowledge of standard operating procedures |
| **Footwear & Leather Product Segment** |                                                   |                                                                               |
| Operator level | Operator, cutters, stitchers, skivers, finishers | • Inadequate knowledge of leather fabric, its defects and handling techniques  
• Lack of understanding of basic operations, defects and its remedies  
• Inadequate knowledge of basic machine adjustments and troubleshooting. Unable to handle multiple machines |
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| Supervisor level | Supervisors | • Lack of experience in handling machines  
|                  |               | • Ability to handle contingences, plan and allocate work  
|                  |               | • Limited soft skills knowledge |
| Executive level  | Sourcing executive, quality control executive, industrial engineer (IE), machine mechanic | • Inadequate knowledge of quality parameters  
|                  |               | • Inadequate understanding of production process and lead time  
|                  |               | • Low understanding of buyers’ tech-pack  
|                  |               | • Gap in knowledge of international quality standards  
|                  |               | • Shortage of skilled and experienced resources for job role such as IE, Machine Mechanics |
| Manager level    | Merchandiser, production manager etc. | • Inadequate knowledge of supply chain management  
|                  |               | • Insufficient knowledge of product costing  
|                  |               | • Poor negotiation skills |

**PROPOSED STRATEGY FOR SKILL DEVELOPMENT IN KENYA BASED ON BEST PRACTICES FROM INDIA**

|---------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Demand-led approach of training | • The courses offered are long-duration (2-3 years) fulltime courses  
|                            | • Relevance of existing curriculum and content to meet the immediate industry demand for skills | • The entry-level courses could be of short duration of 6 weeks to 12 weeks. Theoretical input to be given only to support the practical requirements of the job  
|                            |                                                                                | • At supervisory level courses with higher duration to be introduced  
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<th>• Linkages &amp; networking between training institutions and industry to be strengthened</th>
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| Standard course curriculum    | • Having identified the skill sets that are most in need by the industry, it is crucial that the curriculum and relevant training content is standardized  
• At present, various stakeholders are working on separate curriculums based on industry needs. There was no synergy observed to work on a common platform for development of standard curriculum. | • Skills qualification frameworks for the leather sector need to be developed  
• Apex Body may be formulated under the Ministry of Industry, Trade and Cooperatives (MoITC) as Nodal Body for Skill Development in the sector  
• Authorities such as the National Industrial Training Authority (NITA), may be entrusted to form a Sector Skill Council (SSC) with representations from Government bodies, training & research academia, industry associations and industry or set up as autonomous industry-led bodies for steering skill development and training  
• SSC to be made responsible for developing National-level Occupational Standards (NOS), Qualification Pack (QP), competency framework, evaluation criterion and accreditation systems and model curriculum for various key job role associated with leather, leather goods and Footwear industries  
• Besides, technical skill training on specific trades, the course modules should also have the soft skills & basic communication skills |
| Placement linked training program | • Current programs lacking industry linkages and post training placement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | • Strengthening of industry linkages  
• Piloting of placement linked training model at institutions that well-equipped with industrial machines  
• Placement of candidates to be set as outcome indicator of training programs  
• Ensuring job opportunity will enhance the capacity utilization of the training institutions                                                                                                                                                                                                 |                                                                                                                                                                                                                                                  |
| Skill upgradation               | • The existing workforce is recruited mainly on basis of some experience of working in the industry or recruited fresh at worker level  
• Learning takes place on the job and develops over significant years of experience  
• Thus, majority of existing workforce lacks insight of compliance, quality, basic machine maintenance, ergonomics etc                                                                                                                                                                                                                                             | • Bridge course to be developed for skill upgradation training for existing workforce  
• Introduction to concepts of Recognition of Prior Learning (RPL) |                                                                                                                                                                                                                                                  |
## Interventions Proposed by the KLIDP Program to Address Industry Skills Gaps Identified

<table>
<thead>
<tr>
<th>Value Chain Component</th>
<th>Training Program to be Implemented Under the KLIDP</th>
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| Raw hide & skin segment / producer level | Training of producers & collectors on improvement of quality and increase of quantity of hides and skins would be undertaken. It is proposed that 10 change agents from ten different clusters in the country would be trained. Each change agent in turn will train 15 more producers in their respective clusters. Thus a total of 150 producers would be trained under the course. The broad areas proposed to be covered under the training would include the following best practices:  
  - Animal care & management practice  
  - Flaying methods  
  - Pre curing and Curing methods  
  - Improved preservation techniques  
  - Proper methods of hide & skin collection, storage and transportation  
  - Introduction to basics of grading, inspection & pricing systems |
| Tanneries | Training program on cleaner & efficient leather processing technology is proposed to be conducted in which representatives from 10 selected tanneries would be exposed to cleaner and efficient leather processing technologies. This program would be conducted in Kenya with technical support from Indian experts. Some of the indicative areas to be covered during the training include:  
  - Primary treatment (equalization, screening, neutralization)  
  - Secondary treatment (activated sludge process)  
  - Tertiary treatment (filtration and activated carbon filter)  
  - Trouble shooting, basic mechanical maintenance (oil replacement, greasing, vibration control, oil seals etc.)  
  - Sludge dewatering (chemical dosing, decanter & plate & frame filter)  
  - Shift reports and documentation  
  - Sample collection for laboratory testing  
  - Occupational safety and health at work  
  - Process of setting-up of common effluent treatment plant (CETP), costing and management. |
| Manufacturing of finished leather products | (a) Creation of content for production of value added products (including audio visual training tools & aids) This will customize the training curriculum, training modules & materials on the identified areas like design and development, pattern making & product development (focusing on value added products). The key objective is to facilitate the training content integration and adoption by relevant training institutions for effective utilization/appropriate certification of the training modules  
  (b) Training of 4 master trainers on leather product design, development and fabrication of value added product. Identification of training beneficiaries (4 selected master trainers) for Training of Trainers (ToT) in India  
  (c) Training of 20 selected candidates in Kenya on leather product design, development and fabrication of value added products by the 4 master trainers trained in India. Identification of training beneficiaries (10 per training) such as industry workers/ chief operators, designers, sample developers, pattern makers, entrepreneurs in leather goods industry |
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<td>and their profiling for pre &amp; post program assessment</td>
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<td>(d) Training program for 30 master artisans selected from small-scale leather artisans &amp; technical staff. This would include the following sub-activities:</td>
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<td>• Study the key micro, small and medium enterprises clusters to understand their status regarding design and development of leather goods and footwear</td>
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<tr>
<td>• Develop the training manual and teaching aids (including agenda, working methods and procedures, handouts and evaluation forms)</td>
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<td>• Develop the list of equipment and materials which is necessary for carrying out training sessions.</td>
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<tr>
<td>• Identification of training beneficiaries (15 per training) for training of master artisans (to be conducted twice)</td>
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<td>(e) Training on entrepreneurship development of 20 selected candidates who are potential entrepreneurs in the leather sector</td>
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<td>(f) Exposure visit to Ethiopia for 10 selected private sector representatives and facilitating knowledge linkages between the countries</td>
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**SKILL REQUIREMENT IN LEATHER SECTOR IN KENYA**

The leather & leather products sector has been identified as one of the ten most important sectors of the Kenyan economy under Vision 2030. Recent studies carried out by the Export Processing Zone Authority of Kenya estimate that setting up the proposed Leather Park at Kinanie may increase the annual production of leather footwear to 168.6 million pairs by 2020. Apart from the technical advancement and improvement in governance structures, achieving such an ambitious target is estimated to require 66,000 skilled workers by 2020 in the footwear sub-segment alone.
With increased liberalized trade, Kenya could indeed become an important centre for leather and leather goods sourcing in the regional and global markets. The changing industry trends and aforesaid issues are likely to necessitate huge incremental requirements for skilled human resource in the sector. Thus, greater thrust and special emphasis is needed in terms of skill development initiative which is the core of the KLIDP program – to increase employability by providing quality skills through short-term courses.
About the USAID East Africa Trade and Investment Hub

The USAID East Africa Trade and Investment Hub works to boost trade and investment with and within East Africa.

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Our main focus is on the East African Community countries - Kenya, Rwanda, Tanzania, Burundi and Uganda. We also provide AGOA-related support in Ethiopia, Madagascar and Mauritius.

Contact:

The East Africa Trade and Investment Hub
Goodman Tower, Westlands.
P.O. Box 13403 - 00800
Nairobi, Kenya.

T: +254 (0) 787 685 389
E: info@eatradehub.org

@InvestEAfrica

www.eatradehub.org