



LEADERSHIP CASE

HARAMBEE YOUTH EMPLOYMENT ACCELERATOR

Youth unemployment has reached crisis proportions across the globe. The UN's International Labor Organization puts the issue alongside climate change as one of the great challenges of our time.

Nicola Galombik, co-founder of Harambee Youth Employment Accelerator, describes it as a tsunami. In her home country of South

Africa, youth unemployment is over 53%. This means more than half of all young people in South Africa are not working; a statistic that speaks to great personal misery. Not working means not earning, which means one cannot step fully into the adult world of self-sufficiency—a source of humiliation and frustration. It represents failure, and it also represents bitter disillusion. Typically, these youth have overcome often harsh odds to complete most or all of their schooling, to arrive at the end of the rainbow and discover that the pot holds no gold. The new job-seeker ends up joining the other “have-nots” in looking on as the system privileges the “already-haves.”

“ THE PROBLEMS ARE MUCH BIGGER THAN WE KNOW HOW TO SOLVE, BUT I AM DETERMINED TO MAKE PROGRESS AGAINST THE INJUSTICE I SEE IN THE WORLD. FAILURE IS NOT AN OPTION. ”

Unemployment not only creates marginalization for individuals and groups, but it carries macroeconomic, social and political risks for the whole nation. A Harvard International Review article links high youth unemployment to “extremism, piracy, political instability... violent activity, crime and drug use.”

So why are unemployment rates so high? There are multiple hurdles facing young, first-time work-seekers from vulnerable households. Skill and experience gaps stand between them and their first jobs, of course, but they also tend to have weak networks. They, and their family and friends, may lack access to information about available jobs, access to the internet, travel money, or “interview clothes;” and almost certainly they lack the behavioral and personal readiness to get a job, and to progress in it.

Employers tend to be wary of recruiting young, inexperienced workers, but the economy needs them. An estimated 250,000 to 500,000 entry-level job vacancies open up each year.

“We have archaic education and qualification systems that don’t match what jobs require,” Nicola says. For instance, employers tend to use school grades as a basis for entry-level screening. Given education disparities, this is a poor measure. Harambee instead

ABOUT NICOLA

Executive Director at Yellowwoods, an investment holding company, where she is responsible for social value creation and is chief executive of their Inclusive Growth Catalyst.

A 2015 McNulty Prize Laureate.

Cross-cutting career in social activism, media, education and consulting, spanning both public and private sectors.

A 2006 Africa Leadership Initiative-South Africa Fellow of the Aspen Global Leadership Network (AGLN).

In 2011, founded and scaled Harambee alongside AGLN Fellows; currently Chair of the Board.

assesses 'learning potential' to measure the fluid intelligence of a young person—their ability to learn quickly in a new environment. This helps them understand the person's likelihood to perform in an opportunity. 78% of young people would have been excluded for entry-level positions based on their math scores, yet the learning potential assessment indicates that around 90% would be suitable for most entry-level jobs.

It's a source of frustration for Nicola, whose life has circled around battling the injustice that flows from underestimating potential. "If we could encourage employers to get out of the comfort zone of the traditional ways in which they assess people, and to use new proxies, we can really shift who gets access to opportunities."

Nicola's rebellion against her own background fed her understanding of the need for this kind of shift. A child of a well-connected and powerful corporate lawyer, Nicola came of age during the painful days of apartheid. "I grew up in an insular and arrogant commercial business world," but like many young leaders of that era, she found her identity and personal expression through politics. "I had walkouts with my family as a teenager. I believed I needed to persuade them to find different ways of being, but to do that, I had to understand why they were like they were, and persuade them that it wasn't OK. I feel like I got 10,000 practice hours of social leadership in my childhood."

In her first career as a documentarian, she spent her time in predominantly black rural and urban areas, and her sense of South Africa's "many worlds" strengthened. "I had an epic exposure to how resourceful poor people are. I got a different measure of what constitutes super-human: the way poor people cope and problem-solve is infinitely better than the average businessman.

"Years later, in business meetings, colleagues would bemoan the lack of a talent pool, saying they could not find good people. But I had met fantastic young people all my life. I knew there was a massive pool of intelligent, resourceful, talented people that was just not being seen."

In her role at Yellowwoods, Nicola was working closely with two Africa Leadership Initiative Fellows of the Aspen Global Leadership Network, wrestling with the problem of how to drive a more inclusive opportunity landscape. "Our starting point was to take stock of the enormity of the challenge, and to understand it in real time," says Nicola. "What would a solution look like that is proportional to the problem? A lot of our thinking emerged out of that question.

"We realized that to address the challenge, you had to tackle it systemically. There were a lot of things that had to happen more or less simultaneously."

Over a year of conversations, diagnostics and troubleshooting with businesses in the Yellowwoods portfolio, a picture emerged of employer pain points, and what might remove them. A zone of opportunity was identified—finding a better way to assess entry-level hires—and a revolutionary model was born. Instead of addressing youth unemployment by using corporate social investment to try and reshape job seekers into a certain mold with training, Harambee would reinterpret the metrics by which young people's potential was measured. By more accurately assessing the talent that already existed, corporations could immediately start bridging the

ABOUT HARAMBEE YOUTH EMPLOYMENT ACCELERATOR

- Harambee was established in 2011 as an independent, **not-for-profit social enterprise**, after being piloted within Yellowwoods' business platform.
- Its mission is to address two linked problems: **the mismatch between unemployed youth and available opportunities**, and the challenges employers have in filling entry-level positions.
- Harambee shifts mindsets by **measuring potential and "work-readiness"** rather than skills gained.
- It has conducted 1.5 million assessments, and **placed 46,000+ people with 400+ employers**, with **retention rates 15%-40% above average**.
- Harambee has provided work-readiness training, information on opportunities, and other employability benefits to **380,000+ youth**, and plans to do so for **1.5 million by 2022**.
- Harambee uses **data and multi-sector partnerships to drive system-wide change** and works in partnership with government at city and national levels.

employment gap. This is not to say Harambee was asking businesses to lower their standards—it was pointing out that there was a far larger pool of talent out there that already fit businesses' needs. Now, instead of waiting for a few "good" young candidates to pop out of the system and then competing for them, businesses would step into the recruitment process earlier, and help to define a much larger, better-assessed pool from which they could recruit. In a win-win for society and themselves, companies could fill jobs and create social value.

But this involves changing behavior and expectations, and changing the way decisions are made. None of this was easy. "We needed an incredibly strong and talented team that could grow and drive the solutions and partnerships needed," Nicola says. But over and above operational capability, "we needed a coalition of the willing, and at each stage we had to grow and sustain that," says Nicola. "At each moment in the life of a business, its executives will go through the inflection point of asking whether inclusive employment remains a commitment in the face of other often compelling interests."

Getting young people to buy in was just as hard. "Young people have been scammed to death," says Nicola; "there is a trust deficit. They have been promised a lot of things that haven't arrived. It's hard to step up when no one in your social network has a job despite all the effort they've put in." Similarly, there is a trust deficit between



government and business. “But if you can key into areas of interest that government and business share, and can speak to each in their language, you can build the right partnerships.”

In its intention to change a system, Harambee’s thinking had to be expansive, even in its early days piloting within Yellowwoods. It needed to change enough employers’ hiring practices, so that young people could see the difference. It needed local and national government to rethink some critical policies that created blockages. It needed all stakeholders to look at how youth enter the job market with fresh eyes, and it needed to gain the trust of young people, and then deliver on that trust. And to help these young people ramp up their skills and behavioral readiness, Harambee needed to run big budgets. It had to do all this from the relatively modest starting base provided by the willing executive teams of the Yellowwoods businesses.

“ THE BEST PEOPLE TO INFLUENCE OR RAISE MONEY FROM BUSINESSES ARE OTHER BUSINESSPEOPLE. ”

Nicola pokes fun at her own “almost insane, bizarrely over-inflated sense of what’s possible to achieve.” More seriously, she describes her leadership as pragmatic, and keyed in to different stakeholders’ interests. She also describes herself as tenacious and resilient.

Harambee has been extraordinarily effective in building the multi-stakeholder collaborations that are foundational to its vision. With support from Yellowwoods businesses, other employers began to integrate the Harambee model into their entry-level hiring processes. Government grasped the vision, and became a significant sponsor. Crucially, so did the private sector and donor communities, including for instance the MasterCard Foundation, Michael and Susan Dell Foundation, Ford Foundation, USAID, JP Morgan and the Rockefeller Foundation. “My reflection on why we have been successful in securing employer partners and in raising money goes back to the truth of peer networks: the best people to influence business or to raise money from businesspeople are

other businesspeople,” says Nicola. She’s speaking about the data-driven approach that underscores everything Harambee does—the revolutionary approach to assessing potential, and the scrupulous documenting of outcomes.

The multi-stakeholder partnerships Harambee has forged between government and the private sector are now bearing fruit. Harambee has actively supported over 350,000 work-seekers and placed over 45,000 into jobs with over 400 partners—all in a low-growth and slowing economy.

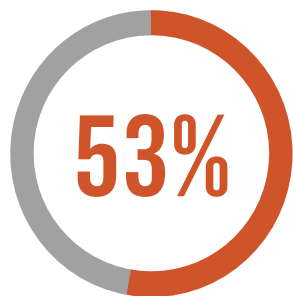
Harambee has had to imagine innovative pathways to transition poor young people into an array of ‘learning to earning’ opportunities, hunting for niche sectors where labor absorptive opportunities remain (typically for scarce skills). Harambee’s solution—which is in beta testing—involves incubating a platform that aggregates information to more efficiently match, channel and lead young people to more opportunities. This solution is much more than a tech-driven matching platform: instead, it will support youth to manage multiple, non-linear transitions into the economy, in real-time, and through inclusionary rules that not only find matches to existing opportunities but help create matches by upgrading deficiencies in readiness, signals and skills.

Effectively, Harambee is incubating a platform that fundamentally reimagines the tools and processes for preparing young people for jobs, servicing employers and enabling inclusive labor markets.

It helps that Nicola, together with the broader leadership team, drives a strategic, results-focused culture at Harambee: the venture is, effectively, driving prospects for a generation. And the team is beginning to appreciate that Harambee has established a global gold standard as the world wrestles with youth unemployment. “I hadn’t quite computed that South Africa is at the front end of a global tsunami of youth unemployment,” says Nicola. Challenges remain around the long-term financing of Harambee, and the team is working on developing a new way of securing Harambee’s future. But in the meantime, the first outreach is launching in Rwanda. If it proves to be a successful trial for African solutions beyond South Africa, more will follow.

The world is watching.

THE CONTEXT OF SOUTH AFRICAN UNEMPLOYMENT



Youth unemployment is staggeringly high, and disproportionate for black Africans and women.

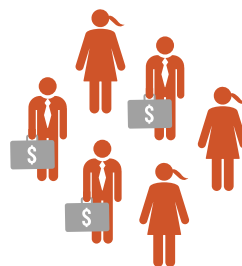
6 million youth are not working or in school.



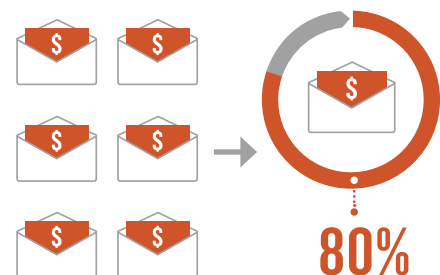
6 MILLION



Every year, a million young South Africans enter the economy.



But, there are only 250,000-500,000 entry-level openings.



If they retain their job for six months or more, there's an 80% chance they will remain permanently employed.

IN HER OWN WORDS: WHAT NICOLA HAS LEARNED

Self-determination is the goal.

"What young people want most is a job. It gives them autonomy and the agency to shape their own lives, and realize their own potential."

Business has a real responsibility.

"Business has huge power to effect positive change. Our responses must be proportional to that power and contribute innovation and capability. The systemic shifts happen when different parties work together in a coordinated systematic way."

Sometimes, thinking big makes things easier.

"It was easier to raise R100 million than R1 million. The people I was raising R100 million from need big solutions, because they have big problems they'd like to help solve."

Optimize your networks.

"The AGLN Fellowship was an extension of a journey I had been on my whole life, and a great gift: I am eternally grateful, predominantly because of the relationships I formed."