

# Leadership hinges on skills

Peter Jennett, CEO, Centriq Insurance



**‘Surround yourself with the right people and allow them to make decisions, is one of the leadership philosophies that I feel strongly about.’**

Going forward, this approach, I believe, will serve Centriq well. As a specialist insurer, we are busy evolving from a small to medium sized insurance company in the cell captive, underwriting management, affinity/alternative distribution and risk finance space. This requires not just good market intelligence and teamwork, but in-depth knowledge, talent and skills. As such, it is important for our staff to not just be comfortable with the decisions they make and the approach they take but to develop themselves with the company.

Underwriting, particularly disciplined underwriting is imperative to the insurance industry's future success. It plays an integral role in not just the pricing of risk, but how risks are protected and the quality of disclosure at the time that a risk incepts.

A simple example is the now limited ability of Cape Town clients to mitigate i.e. fire risks via their sprinkler systems due to the water shortage currently experienced in the city and wider region.

As insurance service providers, we need to ensure that customers have certainty of cover. The risk in a challenging environment is that clients start looking for the cheapest cover regardless of the terms, conditions and risk requirements imposed. Clients, brokers and insurers have a responsibility to ensure that full disclosure is made and that all parties are aware of what is being covered so that insurance can respond as it is meant to respond.

It appears to be too easy for South African risks to be placed directly into the international market at what are clearly unsustainable rates. I understand the economic pressures that drive some of this behaviour, but I am not convinced that it is good for our economy in the long run. We want to access world insurance markets only where it is really necessary, and promote our local insurance industry wherever possible.

The reinsurance market, which picked up the bulk of the losses from the Knysna fires and Durban storms has taken considerable strain in 2017. This will have a knock-on effect in 2018 as reinsurers quite rightfully continue to reassess who to support and on what basis. How this actually filters into the South African market this year, remains to be seen.

## BUILDING SKILLS

In the South African insurance sector next year, I would like to see more graduates employed in one role for longer periods of time. We need to build real sustainable skills and I think insurance practitioners need to spend more time in one role getting real experience.

Centriq itself is going to grow its intake of learners and graduates next year. Without active involvement from business, the skills shortage in the industry will not take care of itself.

This culture of people development, including Corporate Social Investment (CSI), has always been a part of Centriq. We are a proud supporter of the Play with a Purpose Trust, which supports early childhood development, and will continue to contribute to their initiatives next year.

Overall, Centriq will continue to aim for steady profitable growth. We will be selective in terms of growth as I believe insurers need to proceed with caution in the current environment.

**We will furthermore be focusing on doing the basics well, ensuring that our existing partners and clients are well looked after.**

# African business schools must change tack to combat corruption



**Business schools in Africa must equip future business leaders with political skills, if business education is to play a significant role in combating systemic corruption, says research from the University of Bath, UK.**

**Dr Tahiru Azaaviele Liedong, Assistant Professor of Strategy in the School of Management,** says that business schools cannot solely rely on developing an individual's ethical outlook to counter corruption; they must also give students pragmatic political skills to draw on in the face of bribery and corruption in the public sector.

He calls on business schools in Africa to nurture students into future 'institutional entrepreneurs' by exposing them not only to the sources of corruption and the effects of corruption on firms and communities, but also to the approaches and strategies that could be deployed by the business community to bring about political transparency and public accountability.

He notes that business schools should add corporate political activity to their curricula, to give students

a grounding in strategies that firms can use to influence their political environments: from mobilising other stakeholders to shape government policy and speaking out against corrupt practices; to spearheading collective attempts to change values and behaviour.

using business education to fight corruption because ethical business leaders will always struggle to fight systemic corruption if their main response is to fall back on passive resistance, such as refusing to collude or pay bribes."

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In 2016, the United Nations estimated that corrupt practices cost developing countries \$1.26 trillion a year – money which could be used to fund public infrastructure, provide social services or alleviate abject poverty.

The private sector is not the major source of the corruption related problems in Africa, but often finds itself the victim of corrupt procurement and adverse policy decisions. Managers who try to combat the menace often get isolated, victimised or 'burned out'. Others are simply unable to withstand the pressure of systemic bribery because they lack the skills required to stamp it out.

"The onus is on business schools in Africa to empower future business leaders to act to strengthen State institutions and ultimately eradicate corruption."

"Much has been written about the menace of corruption in Africa and considerable work has been done to curb it, but the gains are not significant. We need new ways of

Dr Liedong says that training students to become politically skilled 'institutional entrepreneurs' and managers will help companies to play an active corporate citizenship role, adding: "The key to combating corruption in Africa is good governance and well-functioning institutions, and business schools can take a prominent role in this regard by acting as agents for positive and institutional change across Africa."

Dr Liedong has rich industry experience, having worked in investment banking, treasury, development banking and management consulting both in Africa and the UK. He hopes that his research will generate dialogue that will make African business education relevant and effective in the fight against corruption in Africa.

**Combating Corruption in Africa through Institutional Entrepreneurship: Peering in from Business-Government Relations is published in Africa Journal of Management: <http://dx.doi.org/10.1080/23322373.2017.1379825> DOI:10.1080/23322373**