

The Deloitte logo is positioned in the top left corner. It consists of the word "Deloitte" in a white, sans-serif font, followed by a small green dot. The background of the entire page is a long-exposure photograph of a night sky, showing numerous curved, light-colored streaks that resemble star trails or light trails from a camera. The streaks are most prominent in the upper half of the image and curve downwards towards the bottom. The bottom of the image shows a dark landscape with some lights, possibly from a city or town, and a few trees.

Africa

Human Capital Trends 2014

Engaging the 21st-century workforce

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Welcome



Kimani Njoroge
Human Capital Leader
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We are pleased to present the 2014 Africa report and results as part of the Global Human Capital Trends survey and analysis conducted by Deloitte. Deloitte conducted an online survey to assess the key human capital trends in Africa and the readiness of business and HR executives to meet these challenges.

This report summarises the talent and HR trends and priorities that are likely to shape the business agendas for corporate leaders across Africa in 2014 and beyond. This customised report compares the Africa results to the global and EMEA results of Deloitte's comprehensive survey of more than 2,500 business leaders and HR executives in 94 countries comprising the world's major economic regions. The Africa report includes responses from 347 business and HR leaders from 15 African countries. The findings present the top five leading Human Capital trends for African businesses, ranked by importance, these are:

1. Leadership
2. Retention and engagement
3. Workforce capability
4. Reskilling the HR function and
5. Talent acquisition and access

Perhaps the greatest challenge for business and HR leaders is the reported low levels of readiness and preparation to address these trends. For these trends, the gaps between urgency and readiness was 35% (the gap for leadership) and 27% (the gap for retention). These are important guideposts for future efforts.



This report has been designed to complement Deloitte's 2014 Global Human Capital Trends report, "Engaging the 21st Century Workforce." We hope both the Africa report and the global the reports will provide useful insights to your organisation's leaders on planning critical talent, leadership and HR decisions to drive your business results in the future.

Yours sincerely

Handwritten signature of Kimani Njoroge in blue ink.

Kimani Njoroge
Human Capital Leader
Deloitte Consulting (Pty) Ltd
East Africa

A long-exposure photograph of a starry night sky, showing numerous curved star trails in shades of blue and white. The trails are centered around a point in the sky, creating a swirling pattern. In the foreground, the dark silhouettes of a desert landscape are visible, including a person standing and another person on a camel. The overall scene is serene and captures the vastness of the night sky.

Africa Respondents



The survey was sent out to clients in Africa in October 2013. 347 responses were received from 15 African countries. The map below gives an indication of all the African respondent countries.

Responses were received from the following countries

- Benin
- Botswana
- Ghana
- Kenya
- Lesotho
- Mozambique
- Namibia
- Nigeria
- South Africa
- Swaziland
- Tanzania
- Tunisia
- Uganda
- Zimbabwe

Global Human Capital Trends 2014 Top findings for Africa



The 12 Human Capital Trends for Africa

Ranked in order of importance and urgency as rated by African participants



1

Develop leaders at all levels

Leadership remains a top human capital concern—and key barrier to organisational growth. The need: develop new leaders faster, globalize leadership programs, and build deeper bench strength.

43%

77%



2

Move beyond retention

African respondents ranked employee engagement and retention as their no. 1 priority and globally it was ranked as the no. 2 priority. What's the secret to becoming a "talent magnet" in the coming years?

45%

72%



3

The quest for workforce capability

Organisations now compete globally for scarce technical and professional skills. How can you locate and develop this talent when it takes years to develop expertise?

49%

70%



4

Reskilling the HR team

HR professionals need an increasingly wide range of skills, not only in talent areas but also in the understanding of how the business works, makes money, and competes. How are HR teams staying current and viable?

40%

69%



5

Talent acquisition revisited

Talent acquisition and recruiting are undergoing rapid disruption, challenging companies to leverage social networks, aggressively market their employment brand, and re-recruit employees every day.

39%

69%



6

Shift from diversity to inclusion

The world has become highly diverse, but many companies have not—especially when it comes to combining diversity with the inclusive culture needed to truly build value.

48%

69%



7

Performance management is broken

Companies worldwide are questioning their forced ranking, rigid rating systems, and once-a-year appraisal process. This is the year a new model of performance management will likely sweep through HR.

40%

67%



8

Rescue the overwhelmed employee

Technology and too much access have turned us into "overwhelmed" employees. Nearly every company sees this as a challenge to individual productivity and overall performance, but struggles to handle it.

35%

66%



9

Implement talent analytics

Analytics is an exciting and fast-growing area for human resources, but many companies are lagging. How can they address this game-changing area of HR to move quickly and methodically into the future?

34%

65%



10

Globalise and localise the HR function

A new model of "high impact" HR blends globalised talent practices for consistency and mobility with localised flexibility to attract, retain, and manage people appropriately.

40%

65%



11

Corporate learning redefined

It's a new age for Learning & Development. Online content, Massive Open Online Courses, collaboration tools, and social media now fuel a training model where employees own their skills and experts share knowledge freely.

53%

64%



12

Race to the cloud

Cloud-based HR technology promises to integrate people systems, enable learning and talent management, and reengineer recruiting. But massive adoption of new software is harder than it seems.

37%

61%

Readiness



Importance



Top trends by Importance

The Top five trends in Africa in 2014 are

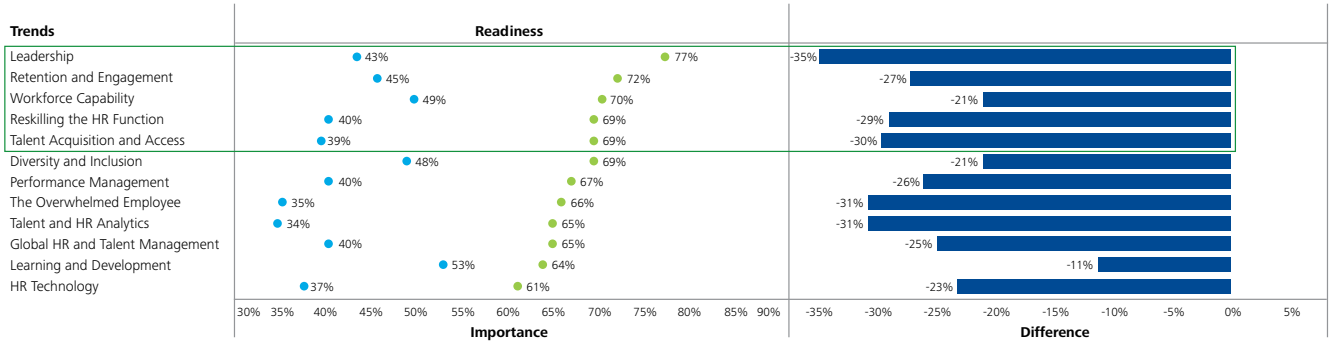
- Leadership
- Retention and engagement
- Workforce capability
- Reskilling the HR function
- Talent acquisition and access

As illustrated in figure 1, organisations in Africa report they are largely not ready to address these trends. Though African business ranks Leadership (availability, depth, and development) as the most urgent trend, it is important to note that the readiness gap for Leadership is reported as the largest gap (35%) with a low level of readiness at 43%, even though the importance index stands at (77%).

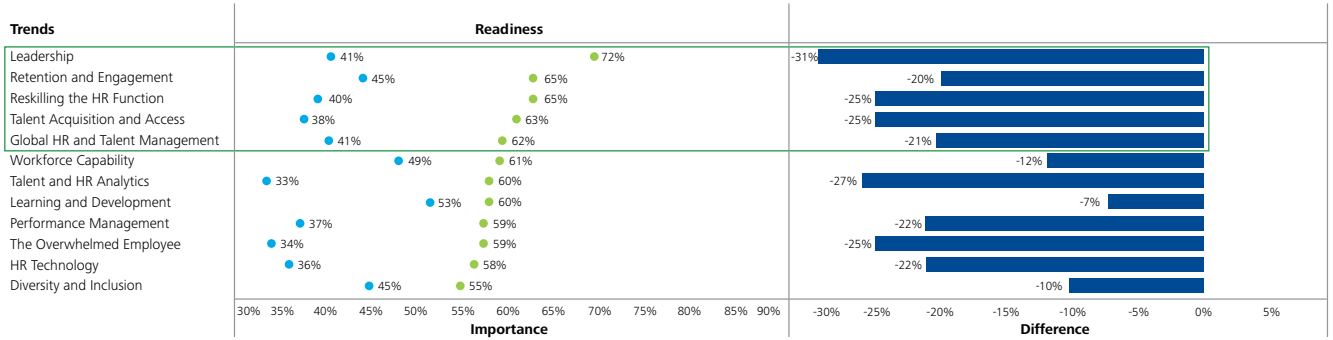
This significant readiness gap in leadership is not limited to Africa alone. Leadership was identified as the most urgent and important trend in the global survey and in the EMEA survey, this finding applied across all industry groups.

In case of the second most important trend, retention and engagement the extent of importance associated with the retention and engagement trend is highest in Africa at 72%, the capability gap is 27%, this is higher than the EMEA result (20%) and the global result (23%). The results indicate that even though it is viewed as urgent and important, many organisations in Africa are not ready for it. The large capability gap is an indication of the difference between the urgency and readiness for the trend.

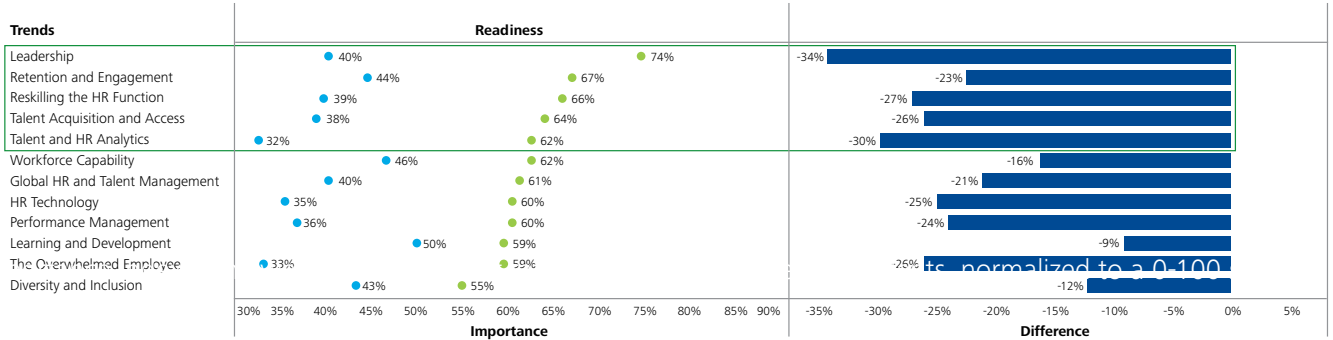
Africa



EMEA



Global



Measure Names: ■ Difference ■ Importance ■ Readiness

Figure 1

NOTE: The difference between the weighted average for importance and readiness equals the capability gap. There may be a +/- 1% difference in the data in these charts due to the rounding methodology used. Importance Index is the weighted average of rated importance by the respondents, normalized to a 0-100 scale.

Workforce Capability

Workforce Capability refers to corporations competing globally for increasingly scarce technical and professional skills. African respondents have identified this as the third most urgent and important challenge for Africa, with 91% of the respondents rating it as urgent and important while 21% indicating their lack of readiness.

The global report identifies that this trend helps explain the “talent paradox” that has emerged in recent years: High unemployment rates point to a surplus of labour, yet companies report great difficulty finding and keeping the skills most important for their growth.

The global competition for skills is even tougher in fast-growing new business areas. The supply of skills in software engineering, mobile computing, big data analytics, life sciences, advanced manufacturing, and new energy technologies is struggling to keep up with demand. Engineers, life scientists, statisticians, geophysicists, and others with technical skills are in short supply.

Other challenges for consideration in Africa are the unskilled African workers and economic migrants relocating to other continents. The OECD discovered that out of the 40 countries with the most acute brain drain problems, 21 are African. Although only about 10 percent of highly educated immigrants in OECD countries are Africans; this number is significant: African countries have relatively small numbers of highly educated people (including doctors, nurses, teachers, engineers).

Efforts to integrate regionally aim to help African countries overcome some of the economic and development challenges currently faced (e.g. small domestic markets, weak productive structures, slow progress on reforms, slow economic growth and widespread conflict and political instability) by allowing countries to reap the benefits of economies of scale, stronger competition, and more domestic and foreign investment. (Integrating Africa’s Workforce: African Development Bank)





Reskilling the HR function

The global economy is poised for a growth cycle. A limiting factor will be the increasing scarcity of talent, which will only intensify the need for HR to ably lead the organisation forward. HR teams that rise to the challenge will see their internal effectiveness, external market value, and overall stature climb.

Reskilling HR was rated the third most urgent and important trend in our 2014 global survey, with 77 percent of respondents ranking it as “urgent” or “important.” Businesses report that their HR teams are “not ready” or up to the job in critical areas including leadership, retention, global, and analytics.

In Africa this was rated as the fourth most urgent and important challenge with 81% rating the trend as urgent and important while 37% rate themselves as not ready for it.

To achieve better business results, companies will need to reskill and invest in their HR and talent capabilities. Focusing on emerging HR skills, such as analytics and deep business and global skills, is a place to start.

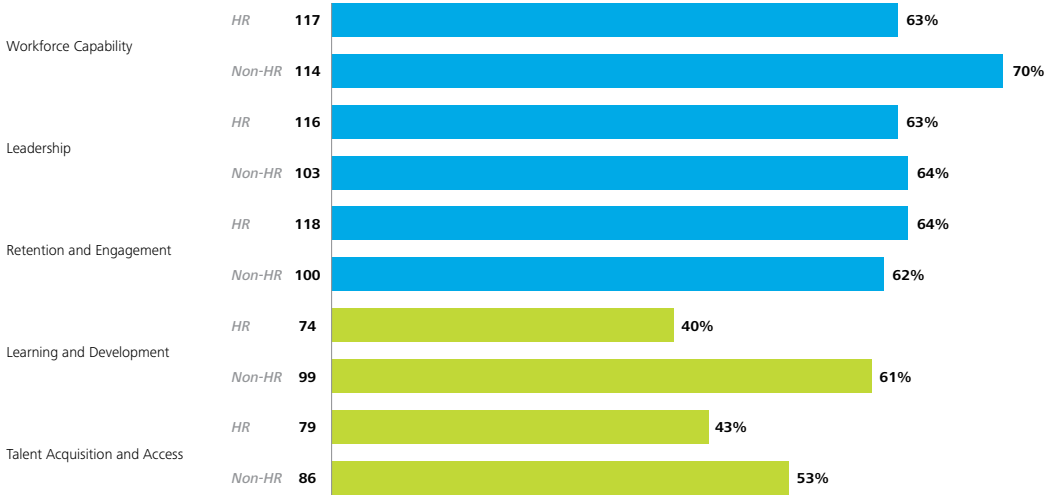
Talent Acquisition and Access

Talent acquisition and access has changed in fundamental ways due to shifts in global talent markets, skills shortages, new ways of working, and the growing importance of social media and employment brand. To compete for talent in 2014, HR teams must move to more marketing oriented, innovative, social media-savvy, and global approaches to talent acquisition. This demands innovation on the front end of recruiting, coupled with the need to “re-recruit” employees, managers, and leaders every day. 83% of African respondents rated this challenge as urgent and important while 37% are not ready for it.

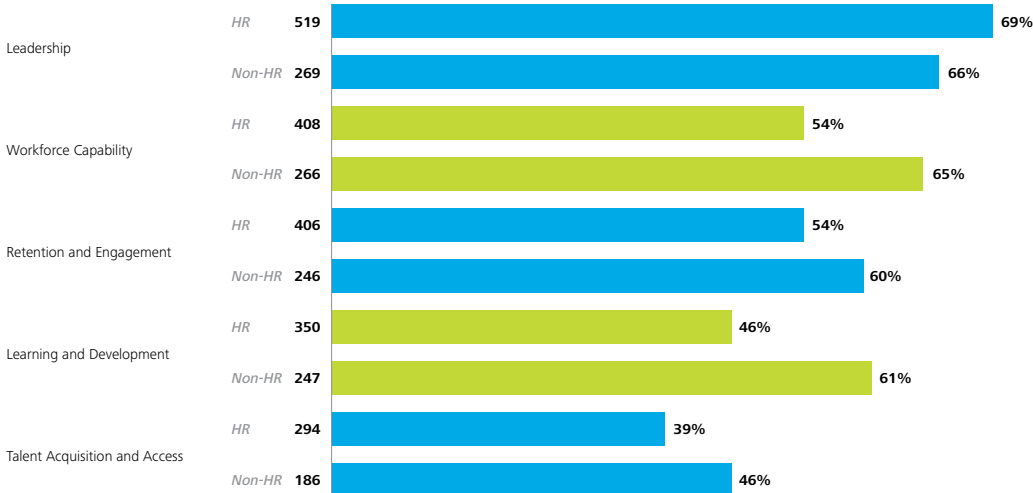
Five Most Important Challenges for the Next 12 - 18 Months

Respondents were asked: "Based on the 12 Human Capital trends, which are the top five most important challenges that you face in the next 12-18 months?" The number next to each label indicates total number of responses for this question. From the graph, Workforce Capability, Leadership, Retention and Engagement, Learning and Development and Talent Acquisition and Access and are the five most important challenges that respondents rated that they will face in Africa in the next 12-18 months within their organisations. The Top five challenges for Africa are aligned to the EMEA and the Global Trends Overall.

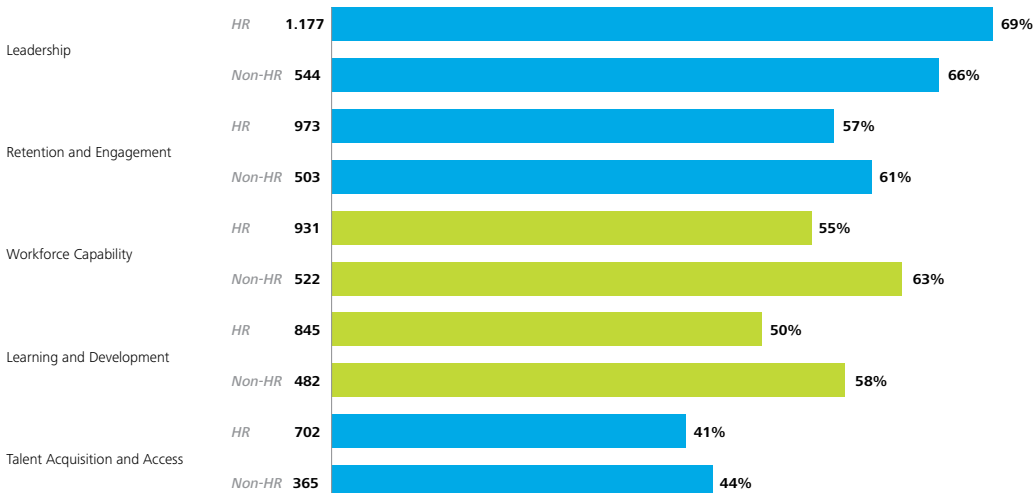
Africa



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Global



Region	Total	Legend
Africa	347	< 8
EMEA	1 162	>= 8
Global	2 532	

Figure 2
HR and business respondents : challenges in the next 12-18 months

Analysing the trends by HR and non-HR respondents provides additional insights on the challenges that they will be facing within their organisations in the next 12-18 months

Figure 2 highlights the importance of leadership as well as retention and engagement and workforce capability.

The results for Africa highlight that workforce capability is viewed as a greater challenge by non-HR executives (70%), than HR executives.(63%)

70% of Non-HR respondents have rated Workforce Capability as the most important challenge, while 63% of HR respondents rated this as a challenge.

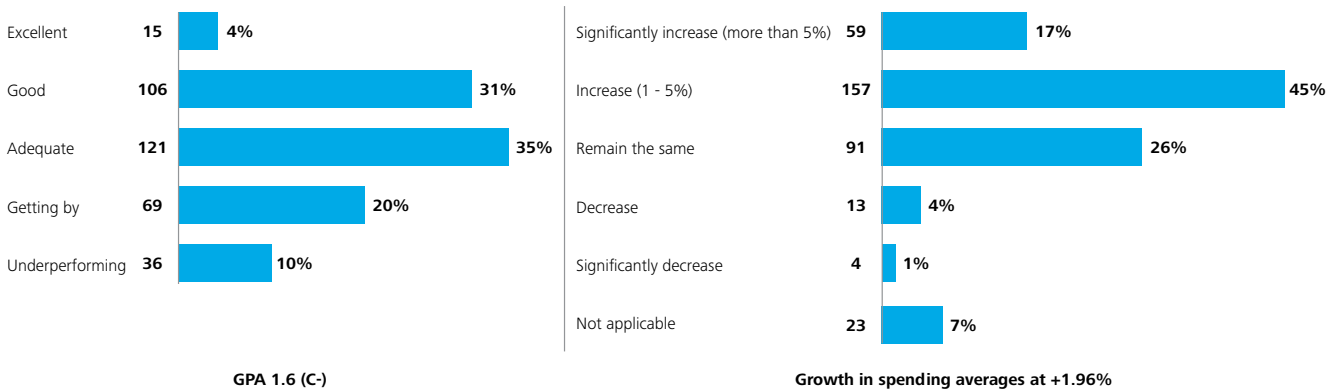
HR Report Card and Investments

A long-exposure photograph of a night sky, showing numerous curved light trails in shades of blue and yellow. The trails are centered around a point in the sky, creating a sense of rotation. The bottom of the image shows the dark silhouette of a mountain range or forest against a slightly lighter, hazy horizon.

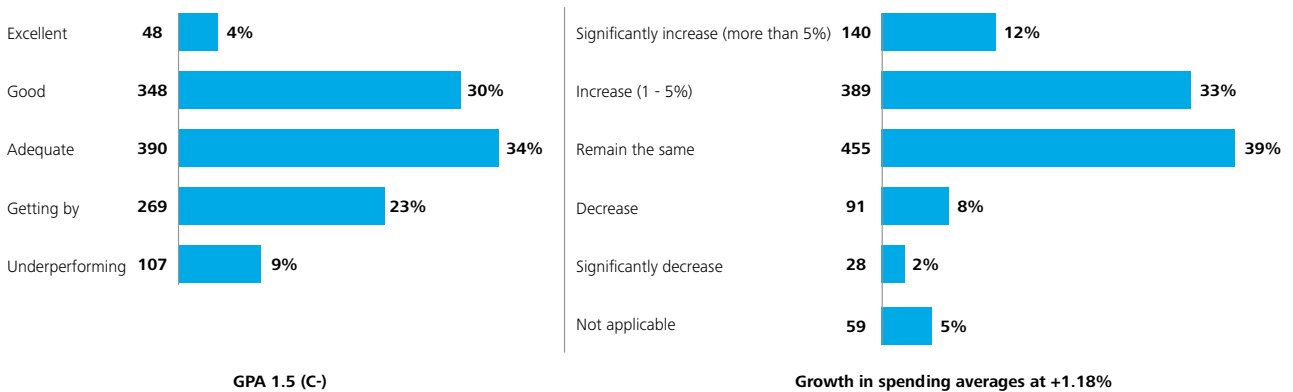
According to the self-assessment of HR and talent programs included in the survey, HR investments are less than adequate for African countries. As Figure 3 depicts, African businesses give themselves a 1.6 (translating to Grade C minus) while self-assessing their HR and talent programs, this is the same as the global result and the EMEA result both at (1.5, C minus).

The growth in spending averages for Africa is (+1.96) is in line with the EMEA results at +1.18%, this is lower than the global results which shows the growth in spending averages at +1.32%

Africa



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Global

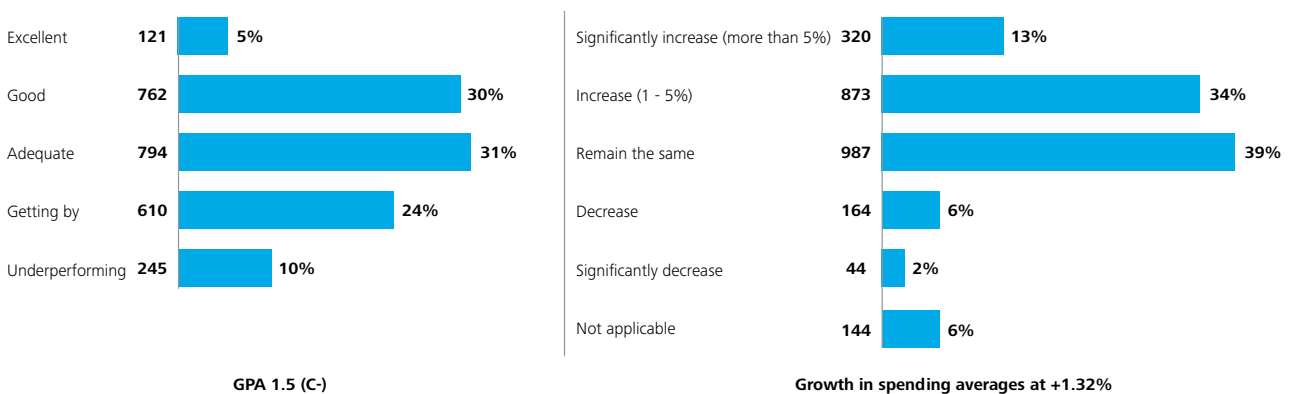


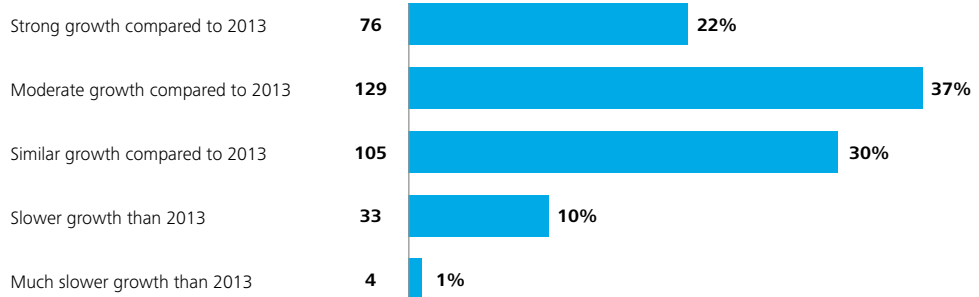
Figure 3
HR Report Card and Investments

Business Outlook

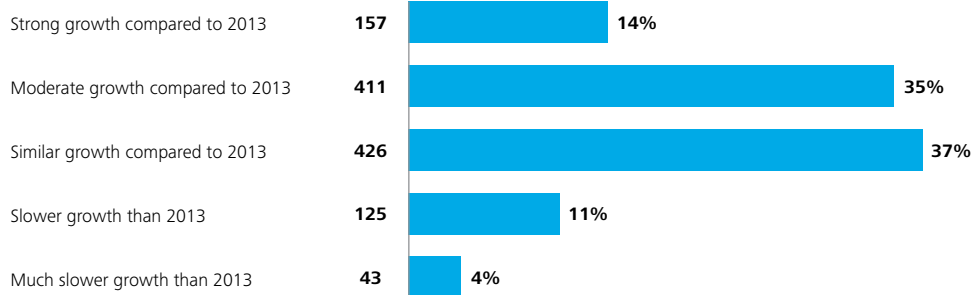


The African businesses are taking an optimistic view with regards to business outlook and 22% expect strong growth when compared to 2013, this is higher than the results for EMEA (14%) and the global results (16%).

Africa



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Global

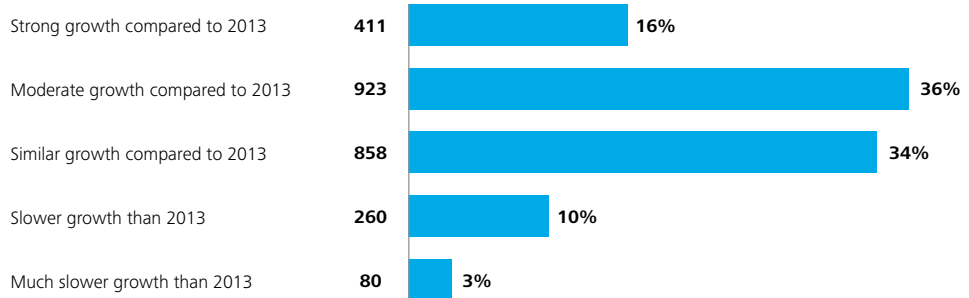


Figure 4
Business Outlook

Demographics

A long-exposure photograph of a night sky over a body of water. The sky is filled with numerous curved, blue-white light trails from stars, creating a sense of motion and depth. The water in the foreground is dark, with some light trails from the stars reflecting on its surface. In the distance, a dark silhouette of a shoreline is visible, with a few bright lights that appear as horizontal streaks, possibly from a boat or a building. The overall color palette is dominated by deep blues and bright whites.

Respondents from Africa contributed largely to the overall survey, with 347 responses from the African continent, in relation to the 1162 total responses for EMEA. This was the second highest response rate among the EMEA region.

Responses were received from the following countries

Benin	Nigeria
Botswana	South Africa
Ghana	Swaziland
Kenya	Tanzania
Lesotho	Tunisia
Mozambique	Uganda
Namibia	Zimbabwe

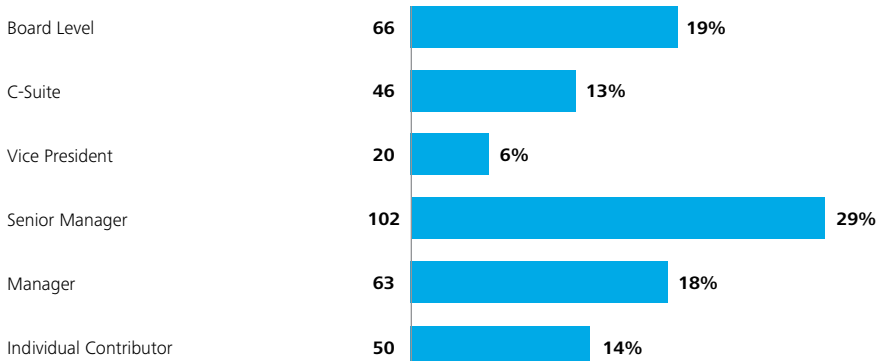
Organisation Size



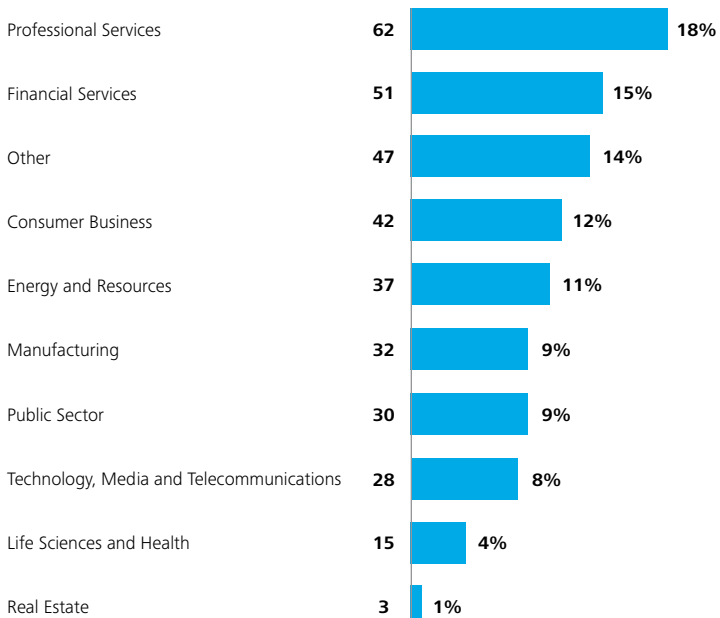
Job Function



Level in Organisation



Industry Group



Contacts

A long-exposure photograph of a night sky showing numerous curved star trails in shades of blue and yellow. The trails are centered around a point in the sky, creating a circular pattern. The bottom of the image shows the dark silhouette of a mountain range and trees against a slightly lighter sky.

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