Economic trends in Africa

New investment amongst South African corporates is overwhelmingly directed towards expanding into other, higher-growth parts of the continent. Of those South African companies with no presence elsewhere in Africa, 80% reported that they wanted to build such a presence within the next year.

By 2030

- Average life expectancy in Africa is projected to reach 64 years, compared to 57 years in 2010.
  (University of Warwick)
- The African population is expected to peak at 1.6 billion from 1.0 billion in 2010, which would represent 19% of the world’s population.
  (University of Warwick)

By 2050

- Africa will make up 23% of the global workforce, and be responsible for over half of the world’s population growth between now and 2050.
  (UN)
- There could be twice as many Africans below 14 years of age as there are now.
  (Economist)

By 2100

- In an ever-aging world, by 2100 half of the world’s children under the age of 18 will be African, up from a quarter today.
  (UNICEF)

HR trends in Africa

Deloitte conducted an additional survey earlier this year with over 2,500 respondents from 90 countries. The key HR African-specific trends are:

- **Leadership**
  - International Mobility becoming prerequisite for leadership positions

- **Retention and engagement**
  - Due to talent shortages in certain roles, various types of mobility are emerging to fill gaps in key markets

- **Workforce capability**
  - Employees demanding more: companies using mobility to become a talent magnet

- **Reskilling the HR function**
  - Mobility professionals moving from an administrative to strategic focus

- **Talent acquisition and access**
Policy approaches

- Very few families accompany the assignee when relocating within Africa
- It is most common for the family to accompany the assignee on an outbound assignment from Africa

82% of companies don’t have a separate policy for into Africa moves

88% of companies don’t have a separate policy for intra Africa moves

96% of companies don’t have a separate policy for out of Africa moves

80% of companies administer their policies globally

Compensation approaches

**Most common allowances**
- International medical
- Home leave
- Housing allowance
- Children’s allowance
- Home pension contribution
- Relocation allowance

**Least common allowances**
- Club membership
- Relaxation trips

50% of moves are currently on a home based compensation approach

80% of respondents think that employees on local terms and conditions will increase in the next two years, whilst formal assignments are less likely to increase significantly suggesting a shift from the traditional expat approach

Key drivers behind moves

- **Into Africa:** Skill transfer, Senior management
- **Out of Africa:** Career development
- **Intra Africa:** Skill transfer, Career development
To start a new section, hold down the apple+shift keys and click to release this object and type the section title in the box below.

Challenges

Security concerns
High assignment costs
Difficulties for the assignee and accompanied family to integrate
Lack of spousal support

57% reported that there are some locations in Africa which are not suitable for the family to accompany assignees due to security reasons. These include:

- Algeria
- Libya
- Zimbabwe
- Nigeria
- DROC

Security

Typical security support provided:

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<th>Yes</th>
<th>No</th>
<th>Case by case</th>
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<tr>
<td>Security briefing</td>
<td>67%</td>
<td>13%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Returning nationals

56% of companies reported significant trends in hiring African nationals who are returning to Africa following a period of studying or working overseas.

However only 18% of companies make special provisions to encourage their return.

Typical provisions provided for returning nationals include:
- Flights
- Shipment of household goods
- 30-60 days temporary accommodation
Deloitte embarked upon a survey to investigate the impact of key economic and HR trends on Global Mobility in Africa. Over 60 individuals from organisations across 7 industry sectors participated in the survey. All organisations were either headquartered or were considered to have a strong business presence in Africa.

Whilst there is a general view that the number of assignees will increase in the future, there is expected to be a shift in the type of assignment utilised by companies, with 80% of survey respondents indicating that individuals who move to and from Africa on local employment terms will increase in the next 2 years. However, in more than 82% of cases, companies do not have any type of formalised policy for either moves to, from or within Africa.

While career development is high on the agenda for the majority of outbound assignments from Africa, skills transfer remains a key reason for companies sending individuals both to and within Africa.

Africa remains a challenging location for assignees and due to this, a range of security allowances and support is typically provided by companies to individuals assigned into Africa. As an emerging market for many industry sectors and with an expected increase in the number of moves, companies should consider how to overcome not only the issue of security, but also rising assignment costs, difficulties for the assignee and family with integrating into the host location and the lack of spousal support normally provided, in order to ensure a high level of return on investment both for the business and the assignee.
Our Global Mobility Transformation Practice

Our Global Mobility Transformation (GMT) practice, a market leading offering was formerly established in 2006 and has worked with over 300 organisations across the globe to assist them with their global mobility programme goals. We have partnered with each of these organisations to achieve a wide range of outcomes unique to that organisation’s strategic and business objectives.

Our dedicated team of full-time GMT professionals span the globe and consist of a variety of global mobility and talent specific backgrounds from tax, technology, reward and HR consulting. Our team consists of GMT consultants located across EMEA, America, and APAC regions. Our unique GMT approach offers not only industry and functional knowledge, but also wide-ranging experience through our unrivalled track record in delivering GMT projects and providing market-leading insights.

The benefits

Organisations that transform their mobility programmes have the potential to see significant efficiency gains from clarified service delivery models, business-aligned policies, streamlined processes, and the greater automation gained from mobility technology which can yield efficiency and cost improvement. The real benefit of global mobility transformation will actually be the improved ability to execute the organisation’s mobility strategies and, in turn, address business needs for growth, globalisation, and global talent management.

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