Spotlight on Africa
HR and Global Mobility trends and approaches in Africa
Economic trends in Africa

New investment amongst South African corporations 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.

Today

Nigeria, a country whose economy is now 40% larger than South Africa’s, is projected to have a population of half a billion by 2050, up from only 180,000 today.

By 2030

Average life expectancy in Africa is projected to reach 64 years, compared to 57 years in 2010.

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.

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.

There could be twice as many Africans below 14 years of age as there are now.

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.

HR trends in Africa

Deloitte conducted an additional survey in 2014 with over 2,500 respondents from 90 countries. The key HR African-specific trends are:

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

International Mobility becoming prerequisite for leadership positions

Due to talent shortages in certain roles, various types of mobility are emerging to fill gaps in key markets

Employees demanding more: companies using mobility to become a talent magnet

Mobility professionals moving from an administrative to strategic focus
Spotlight on Africa: HR and Global Mobility trends and approaches in Africa

Policy approaches

- 82% of companies do not have a separate policy for into-Africa moves.
- 96% of companies do not have a separate policy for out-of-Africa moves.
- 80% of companies administer their policies globally.

Key drivers behind moves:
- Into Africa: Skill transfer, Senior management
- Out of Africa: Career development
- Intra Africa: Skill transfer, Career development

Compensation approaches

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

Changes in overall policy and compensation approach:
- 50% 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.

- 80% of companies do not have a separate policy for intra-Africa moves.

50% of companies reported that the majority of their assignees into Africa were single.
Challenges

Security concerns

High assignment costs

Difficulties for the assignee and accompanied family to integrate

Lack of spousal support

Security

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

<table>
<thead>
<tr>
<th>Country</th>
<th>Algeria</th>
<th>Libya</th>
<th>Zimbabwe</th>
<th>Nigeria</th>
<th>DROC</th>
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<tbody>
<tr>
<td>Typical security support provided:</td>
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<tr>
<td>Private driver</td>
<td>38%</td>
<td>15%</td>
<td>47%</td>
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<tr>
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<td>20%</td>
<td>27%</td>
<td>53%</td>
<td></td>
<td></td>
</tr>
<tr>
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<td>13%</td>
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<tr>
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<td>29%</td>
<td>37%</td>
<td>35%</td>
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<tr>
<td>Security briefing</td>
<td>67%</td>
<td>13%</td>
<td>20%</td>
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</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
Who took the survey?

Industry sectors

- Finance: 16%
- Energy, resources, and infrastructure: 24%
- Consumer business: 15%
- Manufacturing: 4%
- Oil and gas: 23%
- Recruitment: 3%
- Nonprofit: 15%

HQ locations

- USA: 7%
- UK: 61%
- Germany: 2%
- Nigeria: 12%
- Cameroon: 2%
- South Africa: 16%

12% of companies have more than 1,000 international assignees

32% have fewer than 50

Conclusion

Deloitte embarked upon a survey to investigate the impact of key economic and HR trends on Global Mobility in Africa. More than 60 individuals from organizations across seven industry sectors participated in the survey. All organizations were either headquartered or were considered to have a strong business presence in Africa.

While there is a general view that the number of assignees will increase in the future, a shift is expected in the type of assignment utilized 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 two years. However, in more than 82% of cases, companies do not have any type of formalized 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 improve return on investment both for the business and the assignee.
What we do

The benefits
Organizations that transform their mobility programs 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 organization’s mobility strategies and, in turn, address business needs for growth, globalization, and global talent management.
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