



World Mobility Perspectives Challenges and approaches: Mobility into and within Africa

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Introduction

When companies consider what it means to do business in Africa, the answer is often “it’s complex.” But as a continent on the move, Africa has huge growth potential, motivating us to dig deeper into this complex region that has so much to offer.

Complexities for the region continue to be driven by a lack of, and inconsistencies in, its infrastructure – be it the electrical supply, telephone lines, transportation networks, quality education and training, high unemployment figures or challenging government regulations. The recent and drastic reduction in the price of oil and gas has also created an increasing economic burden for countries with oil and gas dependencies (such as Nigeria and Angola) and businesses invested there.

Since the possibilities in Africa are enormous for so many industries and businesses, and visible progress continues to be made, these complexities must become part of the strategy. Companies are looking to manage the variables that they can, and better anticipate the variables that they can’t control.

It is within this context that Crown World Mobility (CWM) has conducted research on global mobility into and within Sub-Saharan Africa (SSA). Companies are increasingly investing across the region and moving employees and their families to support their business initiatives. To gain insight into the drivers, challenges and

approaches for international assignments into and within SSA, Crown surveyed 20 organizations, across a range of industries, to get the pulse on their strategies and successes. This issue of CWM’s *Perspectives* shares highlights from this research and provides analysis that can be applied to global mobility programs and policies.

What’s new and exciting across Africa?

- South Africa has made it onto the list of the top 50 most competitive world economies for the first time, according to the 2015-16 Global Competitiveness Report from the World Economic Forum. This ranking came from the country’s commitment to its environment of innovation and efficiencies in the financial market
- According to the same report, Rwanda has a significantly high level of women in the workplace compared to other nations globally
- This region has one of the world’s youngest populations, with more than one billion people and 2,000 languages spoken
- Africa’s middle class, at more than 315 million people, is the fastest growing in the world, and generating an increasing consumer boom
- In the past decade, the number of Internet users across Africa has grown 10 times the global average



About the research



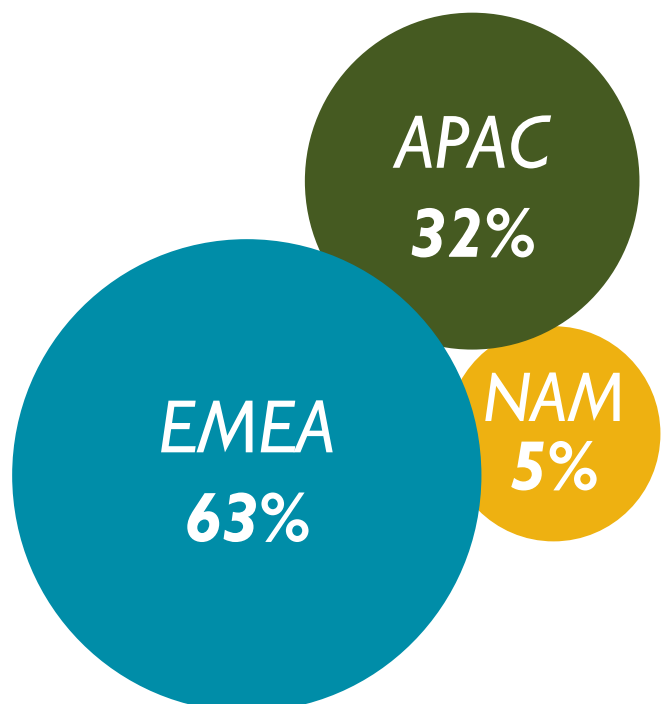
Crown's pulse survey focused on 11 key issues that companies face moving employees into Africa:

- Volume of moves
- Assignment locations
- Drivers for the assignments
- Types of policies and approaches used
- Challenges faced
- Bribery and corruption
- Security
- Immigration – visas and quotas
- Selection of assignees
- Cross-cultural training
- Rest & Relaxation (R&R)

For moves within the region, the survey focused on five key areas:

- Volume of moves
- Types of policies and approaches used
- The status of the employee – in terms of temporary and ongoing benefits
- Drivers for the transfers
- Challenges faced

Where our respondents are based:



Mobility into Sub-Saharan Africa



Volume of assignees in the past 12 months

Most companies indicated that they are not sending a high number of employees into Africa. Assignments tend to be targeted and critical. More than 70% are sending 10 employees or less into individual countries within Africa. A few companies have more than 50 employees moving into a single country annually, and smaller numbers of employees moving into various countries.

Assignment locations

The survey asked about the volume and the locations of international assignments. While companies are sending employees into many different cities across Africa, the locations where the highest number of companies are moving employees are:

1. Accra, Ghana
2. Lagos, Nigeria
3. Johannesburg, South Africa
4. Cape Town, South Africa

Assignment drivers

The number one reason why companies are sending employees on international assignments is a technical skills shortage in the assignment location. This finding is consistent with recent business and economic reports from several sources.

The challenge for local governments and businesses arises when you combine the variable of existing high unemployment rates with the lack of technical skills. In an effort to promote local hires, countries like Angola, Kenya, Mozambique and Nigeria have unofficial and official quotas in place to control the number of expatriates that businesses bring into the country. (Discussed further under the immigration section of the survey findings.)

Top three drivers for international assignments into Africa:

1. Technical skills shortage
2. Emerging market expansion
3. Developmental assignments

Types of assignments and policies

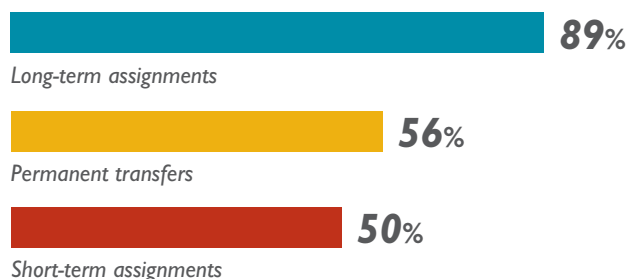
Companies reported using more than one approach to their assignments into Africa. Almost all are sending employees on traditional, long-term international assignments (LTAs). This approach is by far the most expensive option, but also provides the most support to the assignee and accompanying family. For most assignment locations across the region it is unrealistic for assignees and families to live as “pure” locals (locals with no additional support), and in many locations more extensive support is required. This finding is therefore not surprising.

The other two policy types being used are permanent transfers and short-term assignments (STAs).

Like the LTA policy type, the STA is expected since assignments are almost always unaccompanied by family members. Over half (67%) of participating companies also reported having split-family scenarios – where the employee goes on the assignment and the family remains in the home location. STAs have begun to rise globally as an alternative to traditional, long-term assignments.

It is more surprising that half of companies reported using permanent transfer policies to support international moves. Further research will be required to understand where and how this is happening, but it is safe to assume that assignees on permanent transfers likely receive “Local Plus” support (additional temporary or ongoing benefits compared to their local peers). Alternatively, employees could be early career or returning Africans who may have more realistic expectations and manageable adjustment challenges.

Most common assignment policies:



What are the biggest challenges?

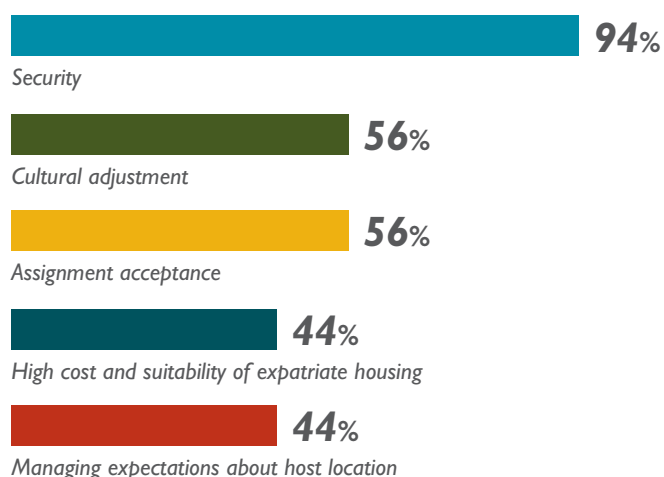
Top three rated challenges:

- 1 Security (94%)
- 2 Employee and their family's ability to adjust to the local culture (56%)
- 3 Employee's willingness to accept the assignment in the first place (56%)

These three challenges appear to be interrelated. Security is the number one challenge that companies face sending employees into Africa. Therefore a number of employees turn down the opportunity upfront, and those who agree to go often experience challenges adjusting to the local culture.

Top five challenges:

Other challenges that stood out with equal ranking were managing expectations about the host location with the employee and their family, and the high cost and suitability of expatriate housing.



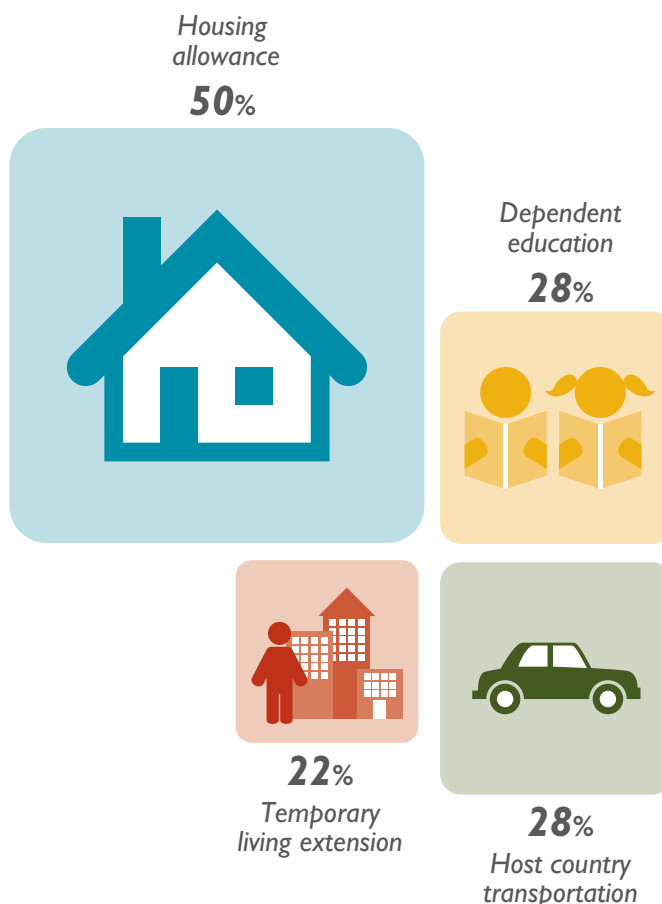
Mobility managers with assignees in Africa will recognize that these challenges are also interrelated at times – especially when one has to set expectations around the amenities available in some temporary or permanent housing. For example, air conditioning may feel essential to many assignees, but may not always be available.

In terms of expatriate housing, the cost, suitability and availability are issues that are highlighted across the mobility industry. Mercer has rated Luanda, Angola, as the most expensive city for expatriates in its 2015 study. The report highlighted not just the housing rent, but also the cost of imported goods and services, and exchange rate fluctuations.

AirInc's recent 2015 report on expatriate housing also lists Luanda, Angola, as the most expensive for expatriate housing. Housing there is more expensive than in Bern, Hong Kong, Shanghai or Zurich, but the quality of life and local infrastructure falls far behind. As a result, the business case for being in Luanda and other high-cost African locations has to be clear.

Top four policy exceptions:

The results around policy exceptions also reflect the housing challenges in terms of cost.



Addressing the challenges



Security

Security was rated at the forefront of assignment challenges, with a significant number of candidates saying no to an assignment offer.

Is security a barrier to assignments?

Yes
39%

No
61%

The findings also show that almost one third of companies (28%) are not able to work with the employee and family to overcome their security concerns – consistent with the 33% of companies that state employees turn down assignments because of security concerns.

As mentioned earlier in this report, almost 70% of respondents have split-family scenarios for assignments into Africa. While split-families can occur for many reasons, the high level of challenges reported around security is likely to be a significant contributing factor.

“A big problem for us is our lack of security protocols and guidelines.”

Survey participant

Pre-departure security preparation

So what are companies doing about security and security concerns? Prior to the start of an assignment, a company's internal security team will provide a security briefing to assignees and their families. As the most common form of support, more than half of companies surveyed (67%) offer this approach. Far fewer, one third of participants, offer a security assessment of the assignment home prior to arrival. Only a few companies use an external security provider for the briefing or a combination of external and internal security briefings.

Post-arrival security preparation

Similar to pre-departure, just over half of respondents provide security support using an internal team, post-arrival in the assignment location. Housing that is company-leased or owned, and on a compound is fairly frequent. An external supplier is used occasionally to provide briefings on the ground, and a car and driver are also provided more than half of the time. Where needed, airport transfers are arranged with bodyguards to accompany the employee and their family to their accommodation, but this is not the norm.

What else can be done around security?

With 94% of participants rating security as their biggest challenge, and seeing how security concerns become barriers to assignment acceptance, it seems clear that this area is an opportunity for all companies moving employees into Africa.

Sample questions for mobility teams to discuss:

- What are our current protocols and guidelines? Can they be improved? When was the last time they were updated?
- What else can we do to provide the right information prior to the assignment?
- What else can we do on the ground during the assignment?
- Are we ready for an emergency? Would our families know what to do and where to go? Would our team know the steps to take?

Cross-cultural training

It was noted in the previous section that in addition to security, the following top challenges were identified:

- The employee and their family's ability to adjust to the local culture
- Managing expectations about the host location with the employee and their family

To overcome these challenges cross-cultural training could be provided.

Survey results show that 22% of companies require cross-cultural training for employees moving into Africa. A slightly higher number (28%) do not offer cross-cultural training at all. Almost 40% offer the training, but leave it up to the discretion of the employee or the manager. This approach assumes that the employee or the manager understands the value of the training. Some companies also assume that if the employee has previous international assignment experience, they will not need training when moving to a new location.

The reality is that even the most experienced employees and their families benefit from understanding the new location's cultural norms, values and how culture impacts the work environment and daily living scenarios. Combine this with the fact that two of the top four challenges are related to adjusting to the local culture and managing expectations about the host location, cross-cultural training is an area of support to consider or improve upon. If it is left up to the employee or manager's discretion, consider asking whether the mobility team is communicating its value in an effective way?

Is cross-cultural training provided to employees and families?



“Expatriates need to understand the complex environment of South Africa, including its history and how it has affected the present situation. They need to understand how culture affects business and social relationships, as well as develop the necessary skills to successfully work and live in South Africa.”

Margie Clark, World Mobility Manager – Africa, Crown World Mobility

Selecting assignees

Before companies can provide security briefings and cross-cultural training, the first step in preparing to fill an assignment need into Africa is to select the right person. Selection has been one of the least developed phases of the international assignment process historically and is not unique to assignments into Africa. This is predominantly due to the fact that the manager, who needs to fill the role, already has a person in mind and hand-picks the candidate (without too much consideration about the non-technical attributes of the employee and their family in terms of assignment fit).

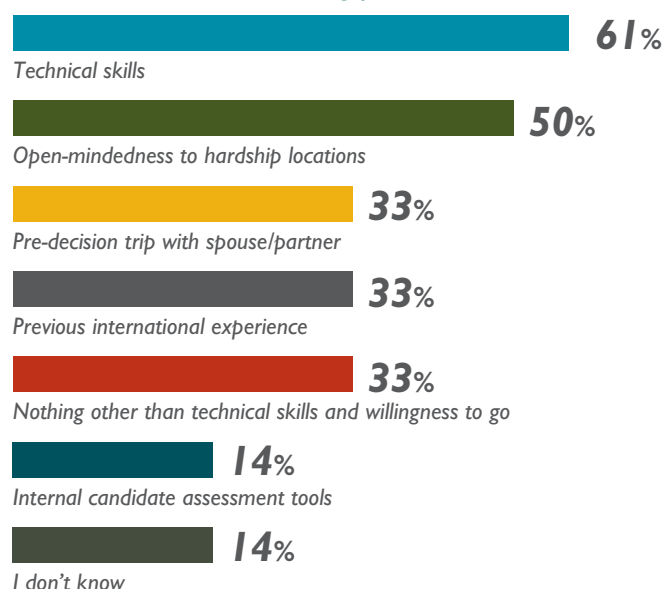
Corporate global mobility specialists have only recently begun to influence this process through educating selection managers on the characteristics of successful assignees. They are also providing candidates and their spouses/partners with assignment readiness self-selection tools, of which there are several on the market today.

For more senior roles, especially in emerging markets or challenging locations, it is becoming slightly more common to provide formal candidate assessment programs through third-party specialists. But this is a recent shift. Strategic companies are putting a greater emphasis on linking Mobility to Diversity & Inclusion and Talent strategies. There is also more clarity on how much it costs to support a senior-level assignee with a family in Africa. That cost, for organizations with more mature mobility programs, drives a desire to get better at selection.

We asked companies about the criteria they use when selecting candidates for assignments. It is not surprising that the majority of respondents (61%) indicated technical skills as the primary criteria. This continues to be the norm across most companies for assignees going to any location. A very small number (14%) use internal candidate assessment tools. One third are not aware of any criteria other than technical skills and willingness to go.

It is interesting to note that for 33% of the respondents, previous international experience is also considered. The same number of people surveyed wrote that a pre-decision trip with the spouse/partner was essential. Half of all participants stated that open-mindedness to hardship locations was a selection criteria. These last three criteria reflect an attempt to better manage expectations for the employee and their family, one of the top challenges for assignments into Africa.

Criteria used for selecting potential candidates:



Rest & Relaxation policies (R&R)

Attitudes around R&R policies have shifted over the years. Traditionally, R&R was used as added support for assignments into locations that qualify as “hardship” on a quality of life scale that includes the following variables:

- Safety and security
- Isolation
- Availability of medical care
- Education
- Amenities

Today it is not automatically provided. The level of the employee, the length and objective of the assignment, and the global maturity of the company (i.e., are employees expected to be mobile? How do we define hardship?) influence a company’s attitude and decisions around hardship and R&R support.

39% of companies stated that they currently have no policy and/or do not provide any R&R for assignments into Africa. However, a few companies are developing a process.

The following range of approaches were described:

- “One R&R trip per year to the destination of your choice, with family included”
- “If hardship rating is > 25%, we double the home leave entitlement”
- “It depends on what type of assignment (not applicable for commuters)”
- “R&R was removed recently across Africa”
- “We provide five paid days of R&R to the nearest hub location, mostly Dubai; flight cost is also reimbursed”
- “One flight every four months”
- “One extra home leave ticket per year, per family member”

Immigration

General consensus is that the immigration process can take more time than expected. As a result, there is frequently a gap between the time that the need for an assignee was identified and the official arrival of the assignee into Africa. This gap can impact business continuity as well as leave employees and their families in limbo (ready to go, but waiting for the paperwork). When asked, 72% said that the mobility team needs to work closely with the business to manage expectations around immigration. Almost 30% said that this gap continues to be an issue that needs to be addressed in the future. Occasionally stealth expats (non-compliant) result from employees entering the country prior to getting their visas.

Comments from participants about immigration:

- “The long period of waiting can be really negative for the family”
- “Assignees fill out the immigration forms with mistakes in some cases and this adds additional time to the process when the forms are raised for inquiry”
- “It can be a challenge to get the business to comply. Often you see business trips before the work permit is finalized and the employee thinks that the assignment status has already begun”

“It is always a challenge to guarantee timelines when relocating to Africa – from last minute delays at the immigration office to infrastructure issues that may increase transit times. Your relocation provider will help set expectations and keep you updated on delays, but the reality is that there are many variables when relocating to Africa that can impact the relocation timeline. Especially in locations like Kenya, where the immigration and Customs process are linked together.”

Liana Ciatto, Global Account Executive, Crown World Mobility



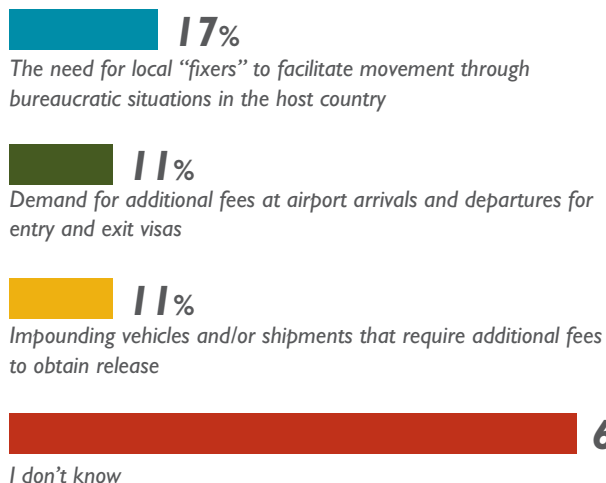


Bribery and corruption

Bribery and corruption issues exist across Africa. We were interested in understanding not only what assignees and their families encounter as part of their assignment experience, but also how companies are supporting them in terms of training. With compliance rigors tightening across many organizations regarding tax, immigration and anti-bribery and corruption, it is of interest to follow the progress that companies are making to ensure employee and corporate compliance.

Based on these survey results, it is safe to say that many companies are still in the early stages of assignment-specific support, and are relying primarily on corporate policies and training developed for the general employee population. When asked whether assignees encounter common situations found in many African countries (i.e., challenges moving through bureaucratic situations, demands for additional fees at airports, etc.), 67% stated that they did not know if this happens. Half of respondents also do not provide anti-bribery and corruption training or do not know whether it is provided as part of assignment preparation. This is definitely an area of opportunity and improvement for global mobility programs going forward.

Do your assignees encounter any of the following situations?



Does your company provide anti-bribery and corruption training as part of their assignment preparation?



Examples of training provided:

- Online mandatory course for general population
- Internal code of conduct training
- Other online training

"It's very important for the expat to be educated on what to expect and how to respond when the inevitable demand occurs. Every expat should be taught what to say and how to escalate the issue if the requester insists on getting paid. The approach may be slightly different from country to country and from situation to situation."

Nelson Akinrinade, Crown's Group Compliance Officer

Mobility within Africa



Understanding regional move patterns is valuable around the globe. Asia has its own trends and patterns, including an increase in local-to-local moves and expanding eligibility to include employees' parents. European regional move patterns are seeing a rise in commuter policies and Expat Lite approaches. And Africa is no exception. Crown World Mobility's recent survey also gathered information on assignments within Africa. Specifically determining if the issues change for international moves within the region.

Our pulse survey focused on five key areas:

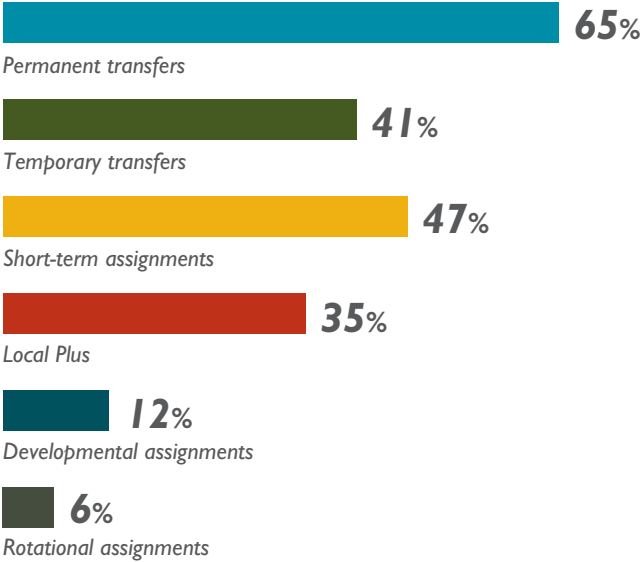
- Volume of moves
- Types of policies and approaches used
- The status of the employee in terms of temporary and ongoing benefits
- Drivers for the transfers
- Challenges faced

Volume of moves

Similar to the findings in the move patterns into Africa, the majority of participating companies (67%) are moving ten employees or less to other countries within the region. Only a few (11%) are moving a larger volume, between 25 to 49 employees.

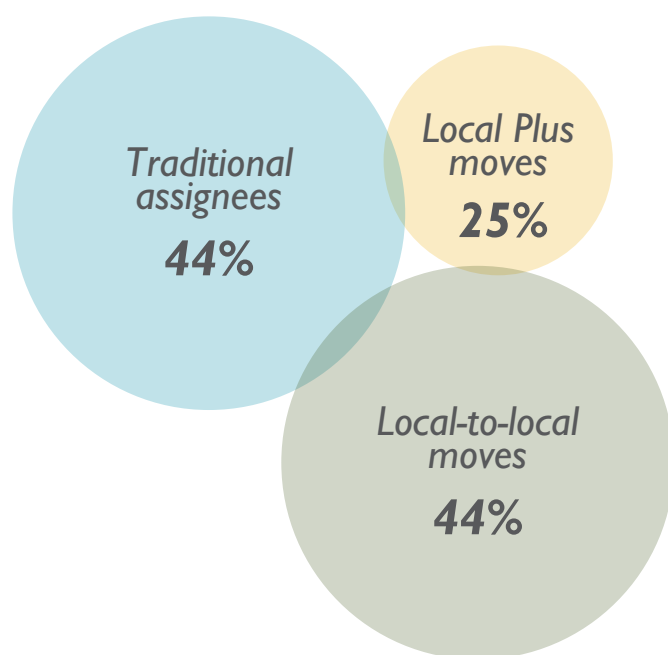
The survey findings show that the majority (65%) are using permanent transfers and many companies are also moving employees temporarily in a number of ways.

How are you moving employees within Africa?



It is fairly common for companies to expect that regional assignments and transfers will cost less than the traditional, international assignment. Participants stated that a significant number of employees are being moved using traditional packages (44%), which give the same benefits as non-African moves. It was also noted that just as many moves are made using local-to-local packages, with only relocation support offered. At least a quarter are also using Local Plus packages (relocation support and a few ongoing benefits).

Types of policies and approaches:

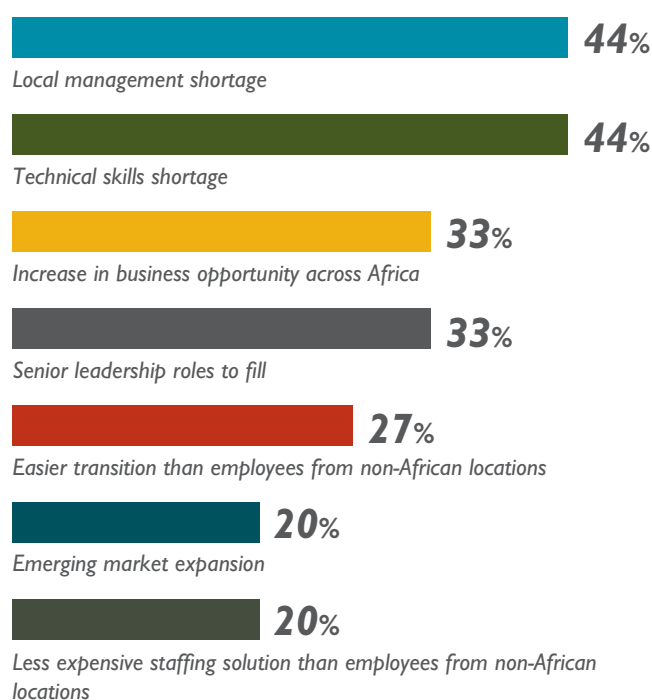


Assignment and transfer drivers

Similar to the findings on assignments into Africa, assignments and transfers within Africa are being driven primarily by the shortage of people with technical and management skills required in critical locations.

Some companies also found that moving employees within Africa made for an easier transition compared to employees from non-African home countries (27%). One fifth commented on there being cost savings in sourcing within the region. But the primary drivers are really about filling the local roles, where skills and experience are missing.

Drivers:



What are the biggest challenges?

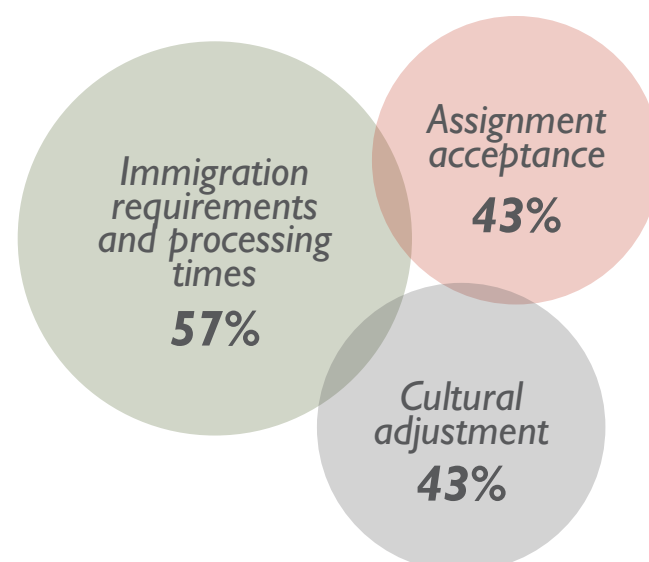
Of the top three challenges identified by respondents, two of the three were aligned with the challenges that companies face when moving employees into Africa from non-African home countries: the employee and their family's ability to adjust to the local culture and the employee's willingness to accept the assignment transfer.

Companies can address both areas in terms of providing career motivation for accepting the assignments and assessing and improving upon what is currently provided for adjustment support, such as:

- Cross-cultural training
- On-the-ground settling-in services

The biggest challenge for moves within Africa was less about security (which we saw with the assignments into Africa) and more focused on immigration requirements and processing times. Companies face significant immigration hurdles for assignments into and within Africa.

Top three challenges:



“What people don’t realize about Africa is that sometimes it takes longer to move within Africa than from an overseas location. With complex country-specific regulations and infrastructure issues, sometimes a move from Ghana to Kenya may require more planning and a longer timeline than a move from Asia to Africa.”

Margie Clark, World Mobility Manager – Africa, Crown World Mobility

Conclusion

CWM's pulse survey on assignments into and within Africa demonstrates the wide range of approaches, challenges and support that companies are using to manage the complexities of the region. Companies are required to move employees, temporarily and permanently, as a means of growing their business in this critical region. This requirement is primarily driven by a shortage of certain technical and leadership skills.

In order for companies to improve on attracting the right talent to fill these roles, global mobility teams should review their current approaches. By determining the next steps, companies can provide better support to help managers anticipate:

- The cost of the assignment
- The time it takes to fill a role
- The time it takes to help employees and their families adjust, stay safe and manage the local environment
- The time it takes to thrive, not just arrive in the host location

“Companies need strong communication from the beginning to the end of the relocation lifecycle. Successful assignments into Africa require advanced planning from the organization, so it is important that when considering someone for an assignment to Africa, all parties (talent acquisition, HR, global mobility and the assignee) are involved in the pre-planning stages. Frequent communication as you navigate the relocation process will be required. Delays can quickly arise, so this ensures both the assignee and the business know what to expect.”

Ian Pettey, Managing Director, Africa, Crown Worldwide

Five key questions:

1. **How to get started:** What is the biggest challenge for your organization when moving employees into or within Africa, and what support can you provide or improve to address that challenge?
2. **Security:** If “internal security briefing pre-departure” is your company's primary approach to addressing security preparation for employees and their families, in the next month, find one more way to improve this support. Reach out to current and past assignees and ask for their input. Ask team members on the ground to brainstorm quick wins and next steps.
3. **Bribery and corruption:** If you answered “I don't know” or “online training designed for the general population” to how your employees prepare for these issues while working in Africa, now is a good opportunity to start a conversation between your risk and compliance specialists. You may want to include local HR and business leaders in key assignment locations or the assignees themselves. It is important to understand what else would be useful and what the company's position is on dealing with what some of the employees and their families will encounter. “Don't ask, don't tell” does not sound like a strong policy.
4. **Adjusting to the local culture:** This was cited as a top challenge for both assignments into Africa and assignments/transfers within Africa. It is not uncommon for managers of assignees and employees themselves to undervalue cross-cultural training support. Settling-in services, especially for regional moves, are often eliminated or not offered in the first place – despite the fact that getting up and running in an environment where the local infrastructure is not consistent or familiar is challenging. Some companies are developing welcome packs, orientation support in the new location and formal on-boarding processes for assignees. What else can your program offer?
5. **Immigration:** It is clear that no company has found an easy route for the immigration challenges that occur in many African locations. The findings indicate that improving communication, expectation setting and the accuracy of the paperwork process, as steps to managing the unavoidable requirements and addressing employee limbo. But a long-term strategy for some companies with long-term investments in Africa, is to become known for their local recruiting and development programs – that focus on training the next generation and beginning to fill those enormous skills gaps. Is this possible (even on a small scale) for your organization? It is one thing to meet a requirement around local hiring quotas, but it is another to become highly regarded for your strategy and outcomes in local communities.

Crown World Mobility hopes that this issue from its *Perspectives* series brings you fresh insights and stimulates creative ideas for improving your policy, program and approach to assignments into and within Africa.

This article was authored by Lisa Johnson of Crown World Mobility's Consulting Group. If you have any questions regarding this article, or would like to find out more about our other services, please contact Lisa Johnson at ljohnson@crownww.com.