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WORKING IN AFRICA

Jobs galore at the ‘new frontier’

By Dina Medland October 12, 2011

A buzz of opportunity is spreading across the African continent and is manifesting itself in investment, growth strategies, hiring opportunities and the executive salaries on offer.

Six African economies were among the world’s 10 fastest growing between 2001 and 2010, according to the *The Economist* magazine – and the contrast with western developed nations in 2011 is striking, as investors and headhunters speak of “a new frontier” of economic growth.

PwC, the professional services firm, recently announced an ambitious growth strategy for the region involving investment of \$100m in people and infrastructure, with plans to recruit 8,000 additional partners and staff over the next five years.

The firm’s African chief executive survey “shows that 69 per cent of CEOs in Africa are very confident of revenue growth over the next three years, compared with 51 per cent of CEOs globally,” says Ian Powell, PwC UK chairman. “We believe the regional economy could double by 2020 to nearly \$3 trillion and we are getting a clear signal from our international clients that Africa is an increasingly important market for them,” he adds.

In terms of job opportunities, “Africa is a magnet for technical expertise at the moment”, says Derick Boshard, managing partner in Johannesburg for Heidrick & Struggles, the international search firm. “There is enormous demand in the natural resources sector for people with geological expertise, mining experience and just about everything around resources. It’s a worldwide shortage of talent which is acute in Africa.”

Financial services is also “a hot topic wherever you go”, as is the creation of jobs around the provision of infrastructure, from power plants to healthcare, he adds.

Moula Nyoka, a director at international search firm Spencer Stuart, says: “There is a re-focus on rebuilding, investing and capitalising the continent. There’s a lot happening. While South Africa has traditionally been the powerhouse of Africa, now the entire continent is very active. This activity is broad – in consumer services, including financial services, telecoms and media; in resources, with Nigeria and Angola traditionally dominant but now with Ghana and Uganda also finding oil; in the farming sector, as the most arable soil in the world is in Africa; and in construction, power and utilities, which are booming.”

With all this activity, the demand for consultants is strong, particularly in telecoms and financial services, says Richard Stewart, founder of Mindbench, a management consultancy jobs recruitment service in London. “Consultants are paid commensurate with their experience and a lot of them earn European-level salaries,” he says.

In some sectors and some countries, a premium might even be paid as “compensation”. So, as Mr Boshard puts it: “An expatriate starting up a mine in Cameroon or Niger would be looking at packages with heavy compensation for home leave. Their families would often not be going with them. People going into Zambia for a copper project found they were receiving a premium of between 20 and 30 per cent on the package. A lot of people in this sector are on contracts where they fly in for six weeks and are then back home for two – still working, but at home.”

But expatriates should not assume they call the shots when it comes to working in Africa. At ECP, a private equity firm which has raised almost \$2bn for investment in companies across Africa, chief investment officer Andrew Brown says: “The well-educated diaspora looking to come back is a fairly widespread phenomenon – you can see it country by country depending on what the outlook is for that country. So there is a strong stream to Nigeria, but they are flocking back to a lesser extent in Algeria because the operating environment is not encouraging.”

Having worked in Africa since 1994, Mr Brown says: “The pull of people coming home over the years has grown, and in the last five the rest of the world has started to take notice. Not only are nationals returning but people working in law firms and investment banks with no previous links to Africa are deciding to see what they can do there. It is the same dynamic as eastern Europe 15-plus years ago.”

That appeal of a “frontier environment” is echoed by Charles Davis, a partner at management consultancy AT Kearney, who has significant experience of working in Kenya and Nigeria in particular. “The culture and the entrepreneurship of the people with whom you are working and the opportunity available is vast. They are growing at 20 per cent and complaining – there is huge drive and focus. It is the corruption and security issues which give them a bad name,” he says.

Security concerns clearly vary according to country, as does the availability of good schooling, infrastructure and a quality of life commensurate with that in London or Paris. “Africa is not for the timid. But if you have a hankering for a bit of adventure, and a family that is prepared to be something of a ‘frontier’ family, there are extraordinary opportunities available,” says Mr Boshard.

In terms of salaries, Ms Nyoka says: “Increasingly, the talent pool is global – whether you employ in Casablanca, London or Mumbai the price tag is the same. It is up to the employer to create the value proposition and African companies are realising that you have to pay more.”

Mr Davis points to a global company in the fast-moving consumer goods sector that has five regional sales managers on salaries of £100,000 a year as an example. Sales directors tend to be local, he says, while the finance directors are almost always expatriates.

The financial services picture is an exciting one, underlined by the boom in private equity across the continent. “As an institutional investor with a strong focus on how to incentivise management teams we can go and get people who would not otherwise work [with a company] – we can reassure them on governance,” says Mr Brown of ECP. “The model we recruit against is people with a split-level view of the world – those who have lived and worked in Europe as well as in their own countries,” he adds.

That has been a good model, too, for Keli Gadzekpo, vice-chairman of Databank, the boutique investment bank in Ghana that he founded with a partner when both had returned home after being educated and working in the US. “Because investment banking was new to Ghana when we first started in the 1990s, we were a bit top heavy with foreigners at first. Now Ghanaians who have trained outside constitute the bulk of our staff,” he says.