

# Local multinational leadership teams in Africa being sought

Global multinationals throughout Africa are increasingly filling their top leadership teams with executives from the continent – a move away from the historical trend of appointing mostly expats to key positions.



Debbie Goodman-Bhyat

Research into the leadership landscape in key economic hubs in Africa, conducted for the latest Jack Hammer Executive Report, shows that local leaders make up the vast majority of executive teams of multinational organisations in Africa. Only 35% of executives in the leadership teams surveyed were expats and, of these, 30% were expats from other African countries.

“The findings indicate that, contrary to some perceptions, there is indeed a notable pool of local talent ready and able to take up senior leadership roles, and that companies are increasingly willing to take the step to do so, instead of merely jetting in leaders from head offices around the world,” says Debbie Goodman-Bhyat, CEO of Jack Hammer, rated one of the top three executive search firms in South Africa.

The soon to be released annual Jack Hammer Executive Report Volume IV, *The Africa Report*, researched the makeup of the executive teams of 36 multinational companies which successfully navigated expansion and growth in Africa, including General Electric, Siemens, Unilever, Microsoft, Coca Cola and Procter & Gamble.

The research was conducted by Jack Hammer’s Africa Desk, and interrogated several key data points among the top leadership in these companies, including qualifications, salaries, roles and leadership pipelines, gender transformation and

individual track records.

“We can say with great certainty that this research has debunked the notion that multinationals would rather not appoint local leaders to key roles,” says Goodman-Bhyat.

But companies still fill at least one of the two key leadership positions with an expat, although the gap is closing, she noted.

The research shows that 58% of companies had an expat as chief financial officer (or equivalent) and 61% of companies had an expat as CEO (country head or equivalent).

“It is not surprising that 61% of CEOs are still expats, given the reality that companies still elect the safe, ‘tried and tested’ approach when making their most senior appointments. Yet the 39% of companies that have made a local appointment to the most senior position shows that businesses are increasingly recognising the benefit of selecting a suitably qualified executive who understands the local context to head their operations in Africa,” says Goodman-Bhyat.

“As an aside, it was also very interesting to note that in South Africa, even with its perceived well-developed talent pool, the number of expats were roughly comparable to the spread throughout other African countries surveyed,” she says

Goodman-Bhyat says that research further shows that the local executives who occupied the top positions had carefully navigated their careers right from the start, and held advanced qualifications in strong technical or financial fields, as well as having built a solid track record either at another multinational or abroad.

But she says that too many companies still make leadership decisions based on inaccurate information - and even on outright myths - and then must manage the fallout from costly mistakes.

“Expanding into Africa and growing a sustainable business is no longer an unknown, obscure exercise – although some companies still approach it as such. Knee-jerk stop-gaps for key appointments are no longer appropriate or necessary, and it is time for business to stop, think and figure out a coherent strategy for building their leadership teams, particularly given the well-developed and growing pool of suitably qualified and experienced local leaders.”

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