

Africa Business Agenda: Workforce Perspective 2023

**Aligning your workforce strategies with resilience:
navigating challenges and building a more
adaptable workforce**

March 2023



Contents

Introduction	3
Workforce is at the centre of all organisational strategies	4
Leadership in economic uncertainty	6
Organisations moving towards a skills based foundation	10
Promoting diversity and inclusion within the workforce	11
Conclusion	12
Contacts	13



Introduction

The Africa continent is a hub of economic activity, with a growing business sector that is increasingly becoming globally competitive. The Africa Business Agenda focuses on the perspectives of 282 sub-Saharan Africa CEOs who participated in *PwC's 26th Annual Global CEO Survey*. This report analyses the survey results related to the workforce on the continent. Africa is diverse, with varying skill levels, cultural backgrounds, and experiences, and is expected to play a critical role in driving economic growth in the coming years. *Workforce Perspectives 2023* identifies key trends, challenges, and opportunities that businesses should be aware of as they navigate the dynamic Africa business landscape. Strategies that businesses can adopt to effectively manage their workforce and enable sustained growth and success are also highlighted.



Workforce is at the centre of all organisational strategies



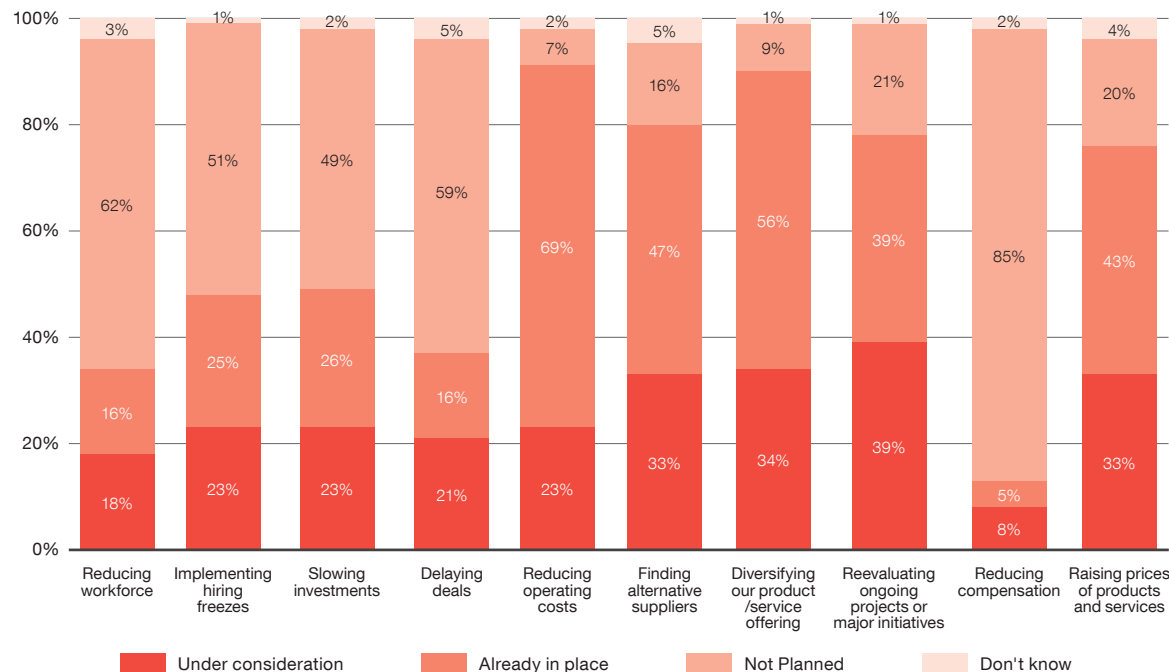
During the COVID-19 pandemic, many organisations focused on being “fit for crisis” and today many are refocusing their strategies to be “fit for growth”. One such strategy across industries is reducing operating costs but at the same time, several CEOs are considering strategies to spur revenue generation by identifying new revenue-generating streams, products, or services. And to achieve these strategies, CEOs have realised that the workforce can be a detractor or a multiplier to the achievement of such a strategy. To put these statistics into perspective: 69% of CEOs are considering cutting operating costs whilst only 13% are considering reducing compensation and 16% considering workforce reduction. It goes to show that CEOs will act cautiously when it comes to their people.”

Marthle du Plessis – Africa Workforce of the Future Platform Lead, PwC South Africa

However, 56% of CEOs are also identifying new revenue-generating entities or streams therefore diversifying their portfolio and placing people in new roles with new skills. There will be a need to focus more on long term business performance in place of current performance which has an impact on skills required for the business of tomorrow. A holistic approach that builds leadership capability, upskills people, and improves sustainable performance is essential to have a significant impact on clients, in a measurable and tangible way.

Which of the following options best describes any action your company may be considering to mitigate against potential economic challenges and volatility in the next 12 months?

Sub-Saharan Africa



Source: PwC's 26th Global CEO Survey

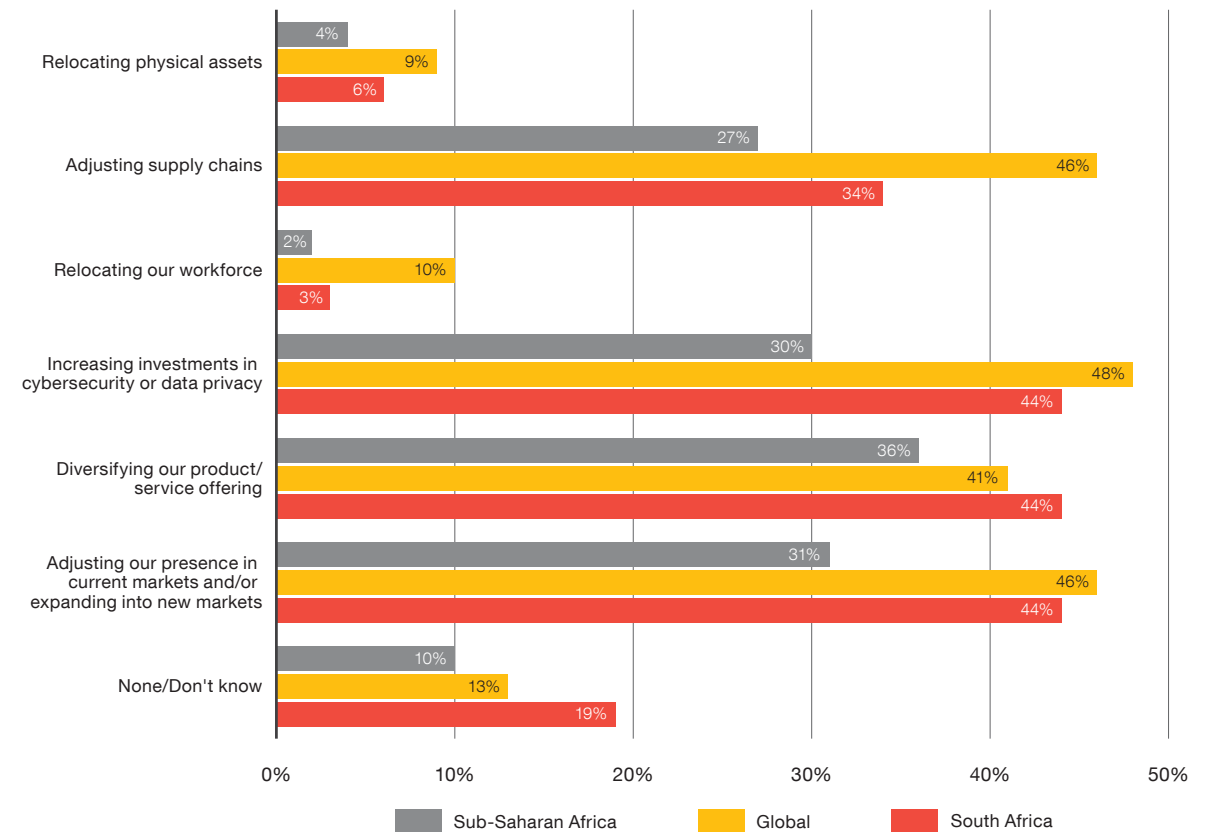


The shortage of skills and the war for talent are the main challenges that organisations face. Delivery risk is a significant challenge in Nigeria, where there is a pipeline of work or production orders, but there are not enough skilled people to do the work. Quality is another challenge. Even when organisations have people, they may not have the right level of capability to ensure consistent quality. The increase in digital platforms due to COVID-19 has also resulted in an increase in cybersecurity issues and exposure. There is a direct correlation between the skill shortages and the increase in risks that organisations face.

Olusola Adewole – Advisory Partner, PwC Nigeria

Workforce risk and a data-driven approach to manage and mitigate risk are also a priority for 30% of CEOs in sub-Saharan Africa. Looking at workforce risk in a holistic way has become a priority for various risk, compliance and regulatory as well as internal audit functions. CEOs are no longer just interested in compliance and regulatory risks, but also risks in areas such as culture, skills, reward, retention, ways of working, cyber security, people-related ESG risks, and organisational structure. It is important for CEOs to understand the interconnectivity of the various risks and how boards need to manage and mitigate these.

Which of the following investments, if any, is your company making in the next 12 months?

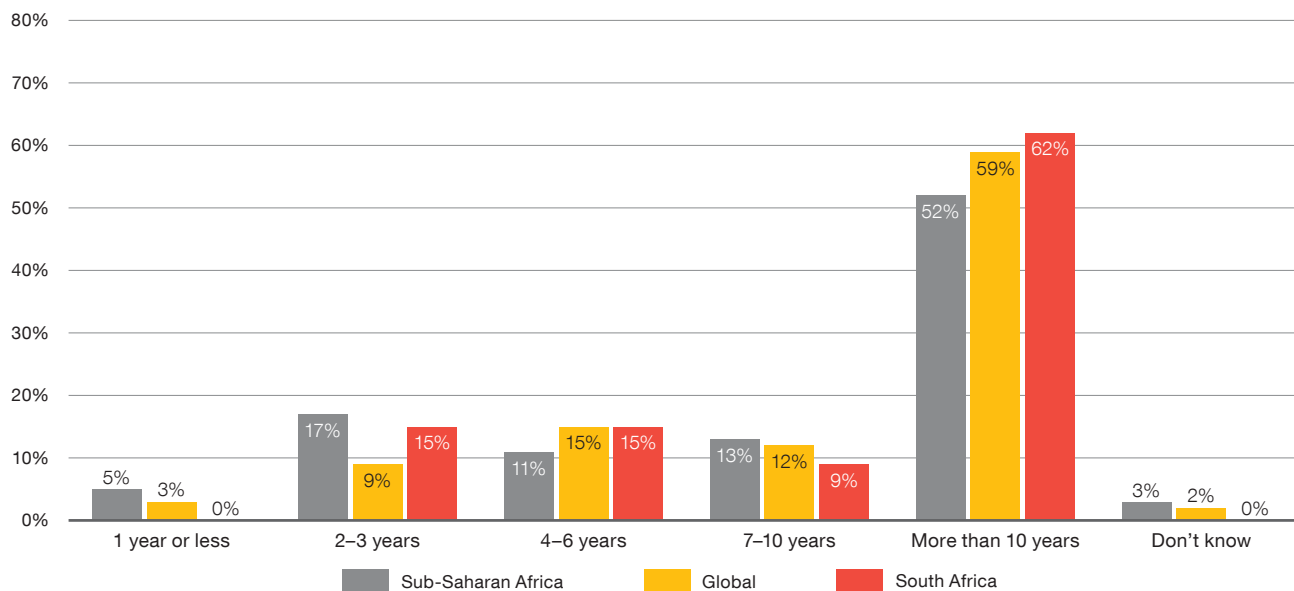


Source: PwC's 26th Global CEO Survey

Leadership in economic uncertainty

The world of business is in a state of flux. Globally, economic uncertainty is forcing companies to take stock of their strategies, operations and goals. In Africa, this is no different since what used to work yesterday does not necessarily mean that it will be fit for tomorrow. In navigating the current economic climate, CEOs have identified key themes that are important to leadership: the need for agility and resilience, and the impact of changing workforce dynamics. Business reinvention will be front of mind for executives and as a result both transformative and adaptive leadership strategies are emerging.

If your company continues running on its current path, for how long do you think your business will be economically viable?



Source: PwC's 26th Global CEO Survey

One of the most pressing concerns for Africa business leaders is the economic viability of their companies. Fifty-two percent of CEOs in Africa believe that their organisation will not be economically viable in the next ten years. In this period of uncertainty, CEOs need to be proactive in addressing the challenges that come with it by re-evaluating their leadership, culture, values, and ways of working.





CEOs face a leadership challenge because there is a discrepancy in productivity between employers and employees. The issue is that while employees believe they are being productive at work, there are leaders that disagree. This difference creates what is called productivity paranoia, which presents an opportunity for adaptive leadership. Adaptive leadership involves creating clarity and alignment around work that drives impact on a day-to-day basis, regardless of where employees work from. Leaders at all levels of the organisation, particularly operational management, need to manage with a sense of direction and purpose, as they play a critical role in shaping the culture of an organisation.

To begin the transformation, the CIO, in partnership with the CHRO, wants to develop leadership capabilities in senior technology leaders (plus CIO), and their direct reports, that are embedded in the digital transformation they are embarking on.

This includes:

- Empowering technology leaders to lead teams through change with minimal oversight
- Building confidence to lead with purpose
- Equipping all leaders and employees with tools to lead today and in the future
- Sustaining leadership capability beyond the initial program

Changing workforce dynamics is another opportunity that Africa business leaders need to consider. There are both similarities and differences in how leaders engage with society and how they view productivity. Productivity also has different shades and views depending on the sector. Understanding these differences and perspectives is essential to developing effective strategies for managing and motivating employees.



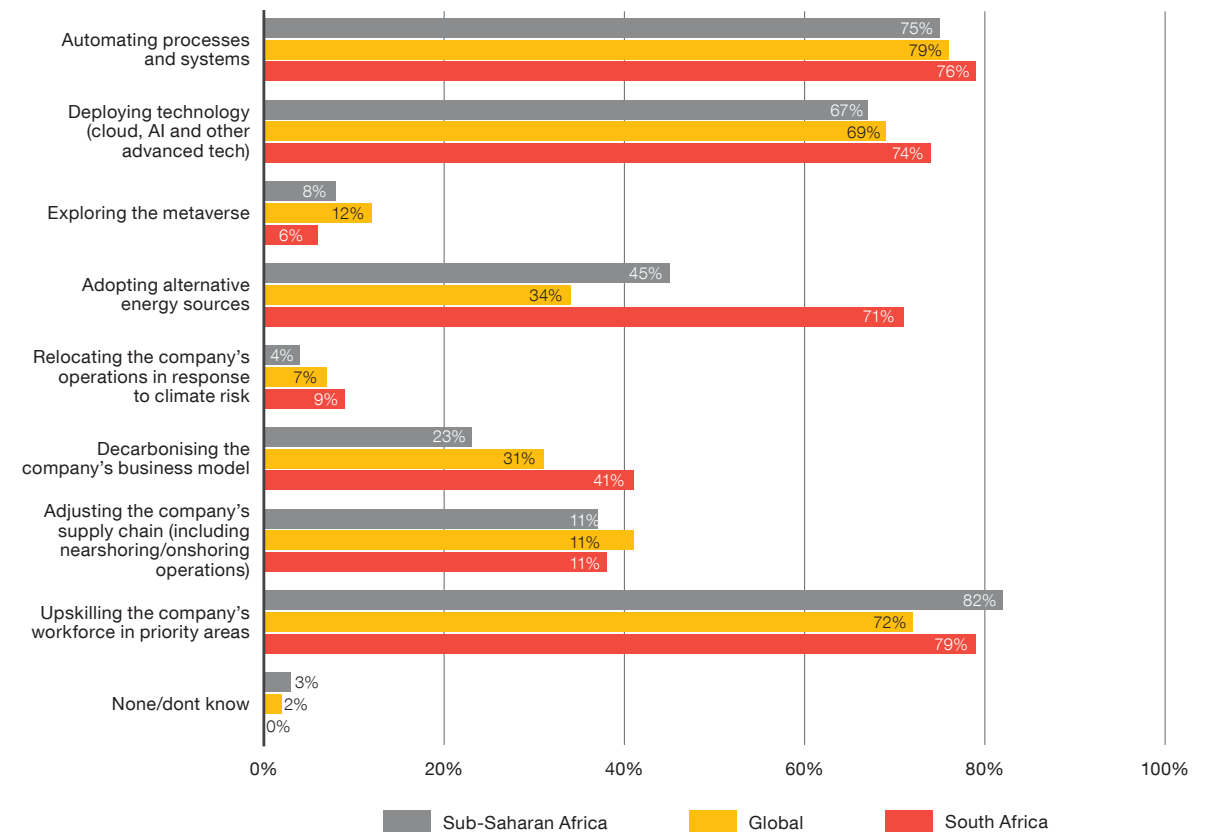
The business landscape is constantly changing and evolving, and for companies to stay ahead of the game, data-driven leadership and skills planning come into play. By analysing data, leaders can identify patterns and trends, make informed decisions, and develop strategies that are based on actual data rather than assumptions. Imagine a new model of leadership that puts people first and builds trust, navigates complex ecosystems, builds alignment across wide networks and diverse perspectives, and achieves sustained outcomes to solve some of our most intractable and ‘wicked’ problems on both local and global levels.

Dayalan Govender – Partner Africa: People and Organisation Lead, PwC South Africa

Data-driven leadership and strategic skills planning for the future

Strategic skills planning is another important aspect of data-driven leadership. It involves identifying the skills that are needed within an organisation based on the strategy and future business objectives and developing talent strategies to recruit, retain, bot or borrow (through contingent workforce resources), reskill/upskill and develop these skills. By using data and strategic workforce modelling to identify skills gaps, leaders can develop training programmes, hire new employees, and implement other strategies that ensure that their organisation has the future fit skills needed to succeed.

Which of the following investments, if any, is your company making in the next 12 months?



Source: PwC's 26th Global CEO Survey

Eight-two percent of CEOs in Africa have indicated that they are upskilling their workforce in priority areas to support data-driven leadership. One of the key benefits of data-driven leadership and strategic skills planning is that it leads to increased productivity and performance and greater resilience. By having the right skills in place, employees are better equipped to perform their job duties, which leads to increased productivity. Additionally, when leaders make data-driven decisions, they are more likely to make evidenced-based decisions that lead to better outcomes, which also contributes to increased performance.

“

At PwC, we have adopted a skills-based approach to hiring. We have given opportunities to young people without degrees but with the right skills and personal attributes to become business consultants. By providing them with the right mentors and coaches, we were able to develop these individuals, who have since become valuable contributors to the firm's success.

Gavin Johnston, Partner – Productivity Improvement and Operational Excellence Leader, PwC South Africa



Organisations moving towards a skills based foundation

According to PwC's 26th Annual Global CEO Survey, 45% of CEOs in sub-Saharan Africa and 52% globally believe that skills shortages will impact profitability in the industry over the next ten years.

Many forward-looking organisations are adopting a liquid model, where anyone in the organisation, regardless of their level or job title, can make a strategic contribution or raise an idea to drive innovative change. These organisations prioritise skills over job titles and hierarchies, picking the right skills to drive innovative ideas irrespective of experience or seniority.

The move towards a skills-based approach has benefits for both organisations and society. For organisations, it means getting the right skills to drive innovative ideas, rather than just filling job titles. It also means creating a more diverse workforce that brings different perspectives, experiences, and ideas to the table. For society, it means creating job opportunities for individuals with specific skills that are in demand, which can contribute effectively to the economy of the country. Companies that embrace this approach are better positioned to succeed in a rapidly changing business environment and make a positive impact on the world.

The demand for green skills is increasing in today's world

Green skills are becoming increasingly important in today's world, and the demand for jobs in this sector is on the rise. Green skills refer to knowledge and abilities that enable individuals to operate sustainably, both in the workplace and in their daily lives. This can include a range of skills, from knowledge of environmental laws and regulations to the ability to operate and maintain renewable energy systems. Green jobs are those that help drive ESG agendas, such as renewable energy engineers, sustainable agriculture specialists, and environmental scientists. In order to remain relevant in today's business landscape, employers must provide purpose-driven work that contributes to environmental, social, and governance (ESG) goals.

Leadership in economic uncertainty

Across Africa and globally, economic uncertainty is forcing companies to take stock of their strategies, operations and goals. As we navigate the current economic climate, CEOs have identified key themes that are important to leadership: the need for agility and resilience, and the impact of changing workforce dynamics. Business reinvention will be front of mind for executives and as a result both transformative and adaptive leadership strategies are emerging.



Promoting diversity and inclusion within the workforce

A commitment to diversity, equity and inclusion – both in an organisation and in a community – brings purpose to a business, ignites commitment in the workforce and benefits society. Among CEOs in Africa, 23% are concerned that income inequality, gender inequality, racial and ethnic disparities will pose threats in the next five years. Bridging the gender inequality divide is a top priority for CEOs – organisations are becoming increasingly conscious of embracing a diverse and talented workforce, promoting women to take on leadership roles. Although concerted strides in the correct direction have been made – there is still more to be done.

Organisations can embrace diversity and inclusion in their workplace by:

- Setting diversity and inclusion targets;
- Challenging unconscious biases;
- Promoting flexible working;
- Providing mentorship and coaching; and
- Providing models and visible leadership.

The *Africa Business Agenda: Workforce Perspective 2023* highlights the need for CEOs to understand the changing macro forces on an organisation and in a response to these, place people at the heart of business strategy through enabling new roles with new skills, driving performance through productivity.

As the war for talent rages on in an ever-changing economic landscape, does your organisation need assistance in pivoting towards new ways of work through developing a new business strategy – brought to life through a passionate workforce?



Conclusion

The *Africa Business Agenda: Workforce Perspective 2023* report highlights that the workforce is at the centre of all organisational strategies and can be a key strategic enabler in the new world of work. The shortage of skills and the war for talent are the main challenges that organisations face workforce risk and a data-driven approach to manage and mitigate risks are a priority for CEOs in sub-Saharan Africa. The need for agility and resilience, and the impact of changing workforce dynamics are critical themes for navigating the current economic climate. Africa business leaders need to consider the changing workforce dynamics and engage with communities to solve problems. Data-driven leadership and strategic skills planning are essential to identify patterns and trends, make informed decisions, and develop talent strategies to ensure that organisations have the right skills in place. By adopting a skills-based approach to hiring and implementing effective strategies for managing the workforce, organisations can navigate the dynamic Africa business landscape, leverage their workforce for sustained growth and success, and play a critical role in driving socio-economic growth in the coming years.



Contacts



Marthle du Plessis

Partner, Africa Workforce of the Future Platform Lead, PwC South Africa

Tel: +27 (0) 11 797 4075

marthle.du.plessis@pwc.com



Dayalan Govender

Partner, Africa People and Organisation Lead, PwC South Africa

Tel: +27 (0) 11 797 4846

dayalan.govender@pwc.com



Olusola Adewole

Partner, People and Organisation Advisory Leader, PwC Nigeria, Ghana and Liberia

Tel: +234 803 446 8725

olusola.adewole@pwc.com



Gavin Johnston

Partner, Productivity, Performance and Workforce Transformation Leader, Africa

Tel: +27 (0) 11 287 0278

gavin.johnston@pwc.com



Alex Murage

Associate Director, Management Consulting, PwC Kenya

Tel: +254 (20) 285 5000

alex.murage@pwc.com

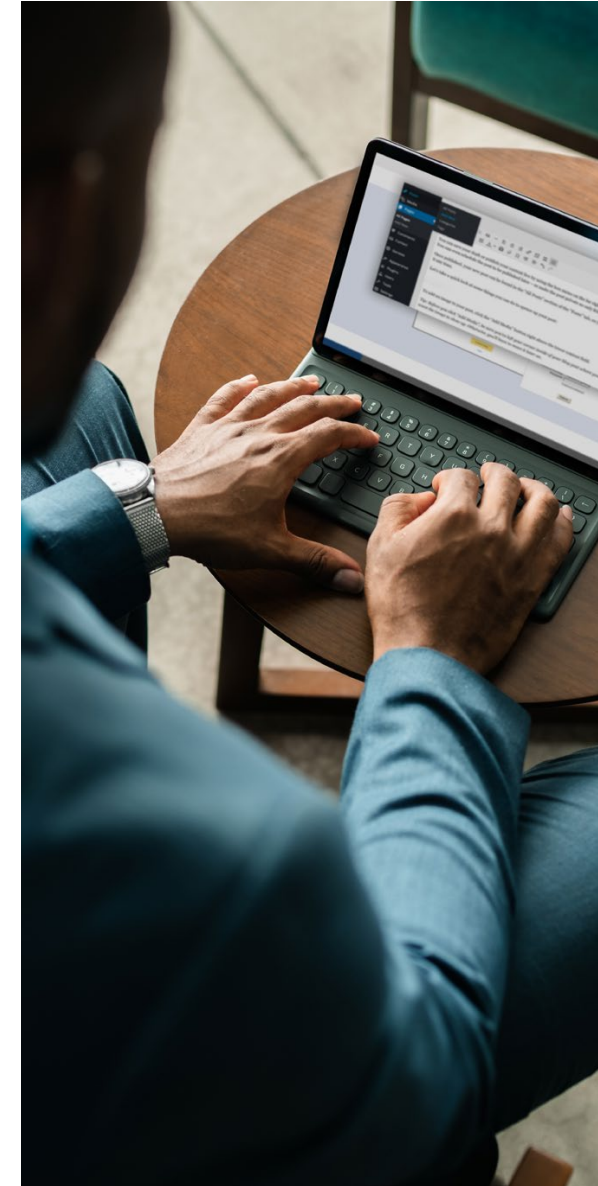


Bernice Wessels

Associate Director, EMEA People Data and Digital Driver, PwC South Africa

Tel: +27 (0) 21 529 2395

bernice.wessels@pwc.com





www.pwc.com

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 152 countries with over 327,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

© 2023 PwC. All rights reserved

(23-29480)

