

What kind of business leaders does Africa need?

By [Dr Hschem El-Agamy](#)

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A quote Nelson Mandela once said with regards to leadership made me think about the kinds of qualities that are needed by leaders of business in Africa to drive economic growth. “A leader”, Mandela said, “is like a shepherd. He stays behind the flock, letting the most nimble go on ahead, whereupon others follow, not realising that all along they are being directed from behind”.



Dr Hschem El-Agamy

It has become fashionable to use short slogans to describe Africa's potential. One week the continent is the last frontier of globalisation. A week later it's the new China. Then it's the land of opportunity. And so on.

Although I'm bullish about Africa, this constant search for an elevator pitch is too simplistic. With 54 countries and nearly 1 billion people, the continent is too diverse and complex to be treated as a single entity. A more interesting question is to ask what kind of skills business leaders need to help stimulate growth and improve people's lives in Africa.

Demand and supply

Managers and business leaders create and stimulate the growth; they are the engine of growth. While there are proudly successful African business leaders and managers in each country on the continent, they remain limited in their numbers and with the lack of specialised institutions to develop these kinds of leaders, the continent is facing one of its most critical challenges.

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The ILO recently estimated that 28% of Africa's 392 million-strong labour force has a wage-paying job (not counting informal and temporary jobs). That's about 110 million people. It is estimated that Africa will need around 10 million managers to manage this labour force.

To train young executives and sharpen up seasoned ones, Africa needs more specialised business schools, not just

universities, adjusting their curricula to meet managers' learning needs. According to a recent report by African Management Initiatives (AMI), Africa has roughly 90 business schools offering an MBA, or one for every 11 million people. India, by contrast, has more than 1,500 MBA schools.

African enterprises and business leaders should be the catalysts in developing business schools that not only expose executives to international best practices, but also adapt these to African business realities.

Four key skills

To drive their companies' long-term growth in Africa while also achieving quick wins, business leaders need several specific skills. I would highlight four:

1. Critical thinking is crucial for innovation and for sustaining African resources for the generations to come. Managers who can analyse and evaluate differing views could make the difference between success and failure for a business in Africa. They are most likely to learn these skills on the job and at business school, given the poor state of many African countries' primary, secondary and higher education systems. Top executives, in African enterprises, also need to encourage critical and collaborative thinking among employees who have less privileged educations. This is not an easy task, but it could be the difference between success and failure for the enterprise.

2. Managing complexity is another must for executives in Africa. Besides running complicated businesses, they also need to manage multiple stakeholders such as communities, clients, suppliers and employees. Africa's business climate is getting better, but it remains complex and challenging. This is partly because much of the continent still lacks the basic infrastructure that developed countries take for granted. Take power supplies.

Managers of African operations need to ensure that their business has backup electricity and even in some cases a backup of the backup. In addition, Africa is still a fragmented market. Managers must navigate very different rules, regulations and dynamics in different countries. This can make it complex, inefficient and expensive to do business across African borders. Good stakeholder management is also vital in Africa, where factories and supply chains tend to have stronger ties to communities than they do in developed countries. Managers of enterprises in Africa's villages, towns or even cities are often responsible for ensuring the nutrition and healthcare of their employees (and possibly their families too), as well as the good functioning of local schools.

They might sponsor local sporting activities too. There is also an expectation, from the local communities, that companies should continuously create job opportunities for people entering the workforce, either directly or at other points in the supply chain.

3. Expecting the unexpected is skill number three. Managers in Africa must be able to deal with disruption—not only from competitors, but also from political uncertainty and social unrest. Businesses pretty much anywhere in the world have a yearly budget and a plan for the next three to five years. African companies have these too, but their top managers also need to have additional scenarios for when external events don't go as planned. They must be aware of social, political and

economic trends in each country and try to anticipate events and risks that could affect business performance. This requires talented managers with very deep knowledge and understanding of the realities around them. This management style is not always understood outside the continent, and there are sometimes tensions when a multinational firm's headquarters asks an African subsidiary to follow standard procedures without taking local or regional realities into account.

4. Developing execution capabilities is becoming increasingly important. Managers everywhere need to identify problems, decide on a possible solution and put this into practice. The specific challenge for business leaders in Africa is ensuring that plans get executed from top to bottom within an organisation. This is no easy task, since poor education systems have resulted in big skills gaps between upper management and the workforce. African business leaders not only need to be role models in executing projects; they also need to mentor their teams to apply these disciplines and cascade them further down the company.

More leaders wanted

Despite its challenges, the African continent has enormous potential, and business leaders have a big role to play in unlocking it. While there are a lot of lessons that could be learned from successful business leaders and managers in Africa, the upcoming ones will have to be critical thinkers who can manage complex businesses and multiple stakeholders, handle unexpected events and execute crisply.

In addition they need to be excellent mentors and inspire the staff and labour force to achieve great results in, sometimes, very challenging contexts.

ABOUT THE AUTHOR

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