

Changing African Organizations

The knowledge explosion and impact of technology accelerate the pace of globalization and “flatten the world”. Yet the flatter the world, the more difficult it becomes to navigate as companies compete in a sea of new and uncharted cultures, languages, and business practices. The ever-blowing winds of change demand greater flexibility from traditional African societal and organizational cultures. As a result, the quality of organizational leadership is emerging as a pivotal factor as companies grapple with ceaselessly shifting business environments. Ineffective leadership performance helps to explain why Africa’s non-extractive industries have achieved only modest success in the global era.

Our world undertakes most of its work in organizations. So, like the rest of the world, and now more than ever, Africa’s fate is in the hands of its organizations. Favorable policy and legal environments may open the door to new business opportunities; however, they do not ensure that companies possess the capacity to take advantage of those opportunities. It is increasingly clear that leadership--the ability to inspire productive, innovative, and committed workforces—also represents a vital foundation of the new competitive advantage.

While globalization is rooted in Western values and behaviors, leadership styles are unique to leaders as they act within boundaries created by company objectives, the nature of the workforce, and the organizational culture, all within the context of the societal culture. Since any country can establish a favorable policy environment, and African companies have increasing access to new technologies and capital, highly capable human resources have become the sharpened tools of competitiveness. Influential writers such as Thomas Friedman (*The World is Flat*) and competitiveness authors, such as Michael Porter, recognize innovative national political and economic policy leaders, and the entrepreneurial vision of selected business leaders, but fail to emphasize the crucial organizational leadership skills that drive performance at the firm level.

One can define leadership as a process where leaders and followers work together to achieve mutual objectives in demanding environments. Thus, leaders and followers are inextricably bound; neither can achieve their objectives without the other. Leaders, then, are people who resonate with followers; who somehow find a way to connect with followers in a way that overcomes compliance and complacency and inspires outstanding performance. And leaders need strong organizational leadership skills to earn the greatest returns from the workforce.

No longer simply “labor”, individuals managing conflict, solving complex problems, and producing differentiated products—things that others cannot easily imitate—have also emerged as another key asset to sustainable, competitive companies. If people are a predominant asset, then companies need cultures that attract, retain, and motivate the right people—those with positive character, strong interpersonal skills, and competence. Such attributes do not traditionally guide African organizational recruitment efforts.



Managers address the complexity of the company by hiring, firing, planning, budgeting, and organizing; they transform resources into products. Leaders, on the other hand, manage change; for change is at the heart of competitiveness. Successful global leaders anticipate the future, establish a shared vision, align the values and objectives of the company with those of the employees, and inspire the workforce to extraordinary performance. Leaders in African companies tend to play managerial roles. Furthermore, ethnicity, kinship, status, personal relationships, and school ties vitally influence promotion. Thus, African business leaders often assume key roles with little exposure to organizational leadership concepts or training in its practices. Organizational leadership skills that create trust, build teams, decentralize power, and emphasize ethics, professional development, and work places free of fear were once known as soft skills; in today's global economy they have become as important as the so-called hard skills. In Africa, these kinds of organizational leadership skills have yet to take root in a systematic or significant manner.

Whether increasing agricultural or raw materials production and processing, taking advantage of new manufacturing or service opportunities, or building infrastructure, Africa needs better corporate performance. The question is: can African leaders, operating in the present African cultural milieu, and constrained by firm level realities, employ the organizational skills that make their companies vibrantly competitive? While transformation of this magnitude cannot be achieved by mere transplantation of Western-oriented leadership practices, globalization requires a more sophisticated African leadership response than is currently the case. Ironically, idealized African notions of leadership encompass themes of esteem, trust, character, and communication which mirror successful Western leadership practice. Unfortunately, one sees little application of the organizational skills that actualize these concepts on the job. Instead, one can characterize many African companies as micro-managing, centralized, low pay, low morale, and restricted communication work places.

African business leaders have traditionally felt little sense of urgency to change given a history of protected markets, limited competition, cozy relationships with government, and the cultural backgrounds of Middle Eastern or Asian business owners so prominent on the continent. Indeed, the closely-held, family-owned structure of many African companies has not generally focused on leader development since leadership, authoritative and paternalistic, passes from parent to child and the network of family and community support—and a warm blanket of formerly protectionist policies-- has sheltered them. For this reason, they have proven no match, for example, in the first round of competition with Western-oriented South African firms entering local markets.

Though African societies remain collectivist, collectivist perspectives do not necessarily generate teamwork or great performance. Most workers, concerned with security and acceptance, treat work as a means of survival and the fear of losing employment is paralyzing. For cultural and security reasons, therefore, workers avoid disagreements and shun conflict. Such behavior is consistent with societies and companies where people accept being told what to do, rarely make or welcome suggestions, and value conformity over results. Africans pay attention to what others think about them and this constrains openness. Africa's businesses

will succeed when their organizational cultures, and the societal cultures which provide their context, adopt traits and behaviors which demand performance.

This is not to deny that change is afoot. Despite a steep change curve for African companies, recent indications suggest that change has begun. African professionals returning home from assignments in globally competitive companies, or with Western business school diplomas, are bringing with them knowledge and experience of how leaders inspire top performance. Many successful global companies investing in Africa have assigned strong leaders to change company cultures and train local leaders. Ernst and Young in South Africa and Fina Bank in Nairobi represent impressive examples of competitive companies adapting global best practices to an African context. Anecdotal evidence suggests that African service industries adapt more quickly to the new demands for leadership than manufacturing or extractive enterprises. Limited surveys of African-owned companies in South Africa and Kenya conducted last year suggest that the pool of Africa's "best and brightest" professionals is small, and poaching among competitors common. Thus, the stakes are high for leaders to create organizational cultures that attract and retain top quality staff; this is now a key bottom-line issue.

African company performance will improve when business leaders learn to cope with change and utilize organizational leadership skills that unleash world-class productivity, innovation, and commitment from their workforce. Improved performance also requires changed attitudes and behaviors on the part of that workforce. Traditional institutional strengthening programs tend to emphasize management and technical improvements, and not the organizational leadership skills that will eliminate African paternalistic and command and control-based leadership practice.

The future is now. Economies long dominated by hip-pocket trading and natural resource exploitation must now compete to provide goods and services based on knowledge, technology, infrastructure, and workforces driven to consistently outstanding performance. The old organizational cultures will not do. It is time to advance from the traditional focus on control, commodity, and structure and teach leaders to achieve results by inspiring their people. It is in this area that IBI focuses its capacity building assistance.