

# Companies prune major perks from expat packages

Although the battle for senior leadership talent in Africa is as rife as ever, companies are now less inclined to offer major perks on top of remuneration packages to attract top international executives.



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“We are definitely seeing major growth in the number of global investors seeking to advance their businesses in Africa, as well as tech-related startups from around the world seeking to enter African markets,” says Debbie Goodman-Bhyat, CEO of African executive search firm Jack Hammer.

However internationally-based professionals considering a so-called ‘tour of duty’ in an emerging market economy should take note that the environment has changed substantially from what it was a few years ago, particularly in terms of additional perks that used to be the norm.

“Packages are no longer overly lucrative, so expats can no longer expect the over-the-top benefits that have typically been on offer in the past. With costs rising and companies seeking to keep their operations lean in extremely competitive markets, extras such as private healthcare, private international schooling, housing, security, drivers, and regular flights home are much less frequently offered these days.

“Multinational companies will still offer some package adjustment to take into account additional expenses that may be incurred in a new market, but not the traditional full expat relocation benefit,” Goodman-Bhyat says.

Additionally, international execs should understand that markets have become increasingly competitive in recent years, so they should not expect to arrive in a business backwater.

“Momentum has been building for a number of years and is going strong now. There are amazing opportunities in Africa’s high growth-market destinations, with opportunities to scale not found elsewhere. But there are competitors everywhere, in every part of the market,” she says, “which means that expats really need to be able to bring a strong mix of technical expertise plus the ability to immerse themselves and grow in the target market.”

Furthermore, entry requirements have become increasingly stringent, and it shouldn’t be taken for granted that even senior leaders will automatically be allowed to work in a specific country.

“Work visa requirements in Africa are as stringent as in any developed market, and often costly and time-consuming to acquire,” says Goodman-Bhyat.

Ultimately, working in an emerging market economy allows up-and-coming and established leaders to gain experience and track record that they would not have been able to gain in their home country, so there is inherent value in going this route.

However those who thought that they would be able to reap this intrinsic advantage, as well as an extravagant package on top of that in line with historical trends, need to adjust their expectations, Goodman-Bhyat says.

“There is a great upside to gaining experience in Africa, and helping companies establish and grow themselves, but it is not a walk in Central Park, and companies and executives are urged to enter new markets informed, realistic, and with local partners who can help them navigate the realities on the ground.”

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