

## **Human Capital – reducing the brain drain**

*By Joseph Baliddawa*

Business leaders in East Africa rank highly the threat posed by the recruitment and retention of skilled and experienced workers in the East African marketplace.

The workplace is changing dramatically. While the number of hours in a day has remained constant, the size and complexities of business transactions have increased and we should not forget the number of regulations and litigations that continue to invade businesses. Employees are expected to work more efficiently and effectively. What does this mean to employees?

It means that the employee is now expected to be more skillful and knowledgeable. It is taking a longer time for employees to acquire the requisite experience. Employees who have competently acquired the skill, knowledge and experience have become very marketable which means increased value for themselves and the company they work for. This poses a challenge to the current employer in terms of retaining good employees as the 'pull' factors become stronger. The 'pull' factors are the factors that are attracting the employee to another employer (including self-employment).

Job compensation, career advancement, job satisfaction, skill development and work-life balance are critical to retaining good workers. While in the past compensation was seen as the single and most important factor in either attracting or retaining workers, currently employees are looking for work-life balance, good quality and standard of life. Employees ask themselves for instance whether the workload detract them from family and personal interests or whether they work too much overtime. If the questions are answered in the affirmative, then it is likely that an employee will seek another job (even though they like the current one!). The opposite is true in that an employee is likely to stay in the same job if he or she has more control over the hours worked. Flexi-time is more common in the developed job markets unlike our job market where the phenomenon is rare and which may be a disincentive to return home for an East African.

A study conducted by the University of South California indicated that employees are less likely to leave their employer if they believe the company is supportive of professional and career development. The study revealed that employees who feel that their employment provides an opportunity to use their skills effectively, are likely to stay. A mismatch between the job content and the skill of the employee can lead to stress at the workplace and eventually to lower productivity of the employee and the company.

A study by the World Bank entitled *International Migration, Remittances and the Brain Drain (2005)*, revealed that 20 percent of Sub-Saharan Africa's skilled workers have migrated mainly to Europe and North America. The study also revealed that on a "larger scale, migration dramatically increases global economic output by enabling workers to move to locations where they are more productive, and as a result, earn much higher wages than they would have in their developing home countries. A large portion of these economic gains accrues to the migrants and to their families back at home through the remittances they send". This poses a significant challenge to employers in the East African market in terms of attracting and retaining skilled local employees.

Each career choice is a very personal decision. Any time an employee makes a choice about his or her career, it is a decision that centers on the individual, his or her career aspirations, personal needs and personal expectations. Any personal decision comes with a personal obligation to make an informed decision. An employee should feel that he or she represents a share in the value of the company they work for. As mentioned in the introduction of this article the skill, knowledge and experience that is expected of workers is more demanding in the current workplace. It therefore means that a good worker who stays to managerial level in a company

will become more marketable. His or her chances to earn more in the long term are said to be higher.

There is a vicious cycle that says that the best employees attract the best clients and this in turn attracts the best work or assignments. When you attract the best work, you attract the best employees and the vicious cycle continues. The challenge is to retain the best people in the global 'village'.

In the East African job market, we have skilled and competent workers able to compete on the world stage. The lure of the more developed markets cannot be overstated. As mentioned earlier one must make an informed choice that is not based on short term gains. An employee should look at all the factors including job compensation, career advancement, job satisfaction, skill development and work-life balance from a long term perspective. More often compensation gains experienced when leaving one employer to another are short-lived as the people who remain quickly catch up and do just as well (if not better) financially as those who leave. This is very true for an employee who leaves before becoming an experienced manager. It is therefore important that employees make informed career decisions and look long term.

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**Joseph Baliddawa (joseph.m baliddawa@ug.pwc. com) is the Country Leader of PricewaterhouseCoopers Uganda and also the partner responsible for the Public Sector Group in Uganda. He can be contacted at joseph.baliddawa@ug.pwc.com.**