

HR Matters

Namibia Newsletter

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A bi-monthly newsletter published by PwC Namibia providing informed commentary on current developments in the People & Organisation arena.

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Performance Management: Do we need a make-over?

Why is it that our performance management systems in Namibia often fail us? Instead of being a tool for business improvement in real terms, we often end up with unhappy, demotivated employees. On top of that and in spite of the time and effort spent on it, we seldom get any real information from the system on how it contributed to business success.

Most performance management systems in Namibia is based on a system of rating and ranking employees at least once per year. This causes the employee to end up after a year's hard work with one overall rating, based on his/her performance for the year. We all know that being measured is a psychologically strenuous process as we deeply identify with our work and the results it delivers. Is one rating at the end of all the work fair to employees? Most performance management systems contributes little or nothing at to personal development.

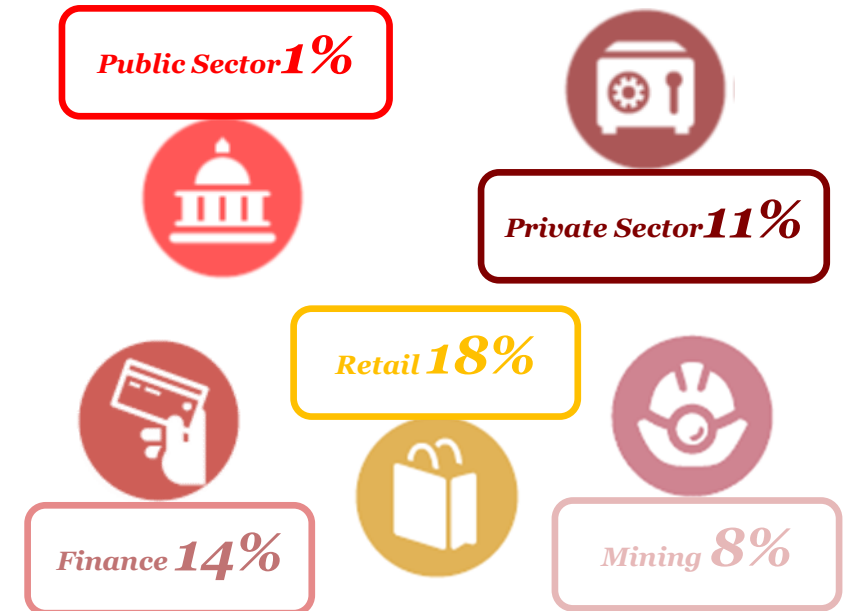
Performance management in Namibia needs an in-depth debate::

- *How do we establish a feedback-based, development-focused system that ensures performance improvement?*
- *How do we ensure that the system adds real value?*
- *How do we make it less complicated , swift, flexible and user friendly?*

These questions will be explored in future editions of HR Matters



Average Manager Performance Bonus on Total Package per Industry:



Source: PwC RemChannel, Namibia.

A whole new way of work - Are employers rising to the challenge?

After completing an exciting training program with PwC, I found myself at my next career junction as a 20 something—where to from here, how do I decide between the many options available? The generation that I am part of, the millennial, also known as generation Y is set to revolutionize the tone for when and how we work, reaching for the greatest height of technological innovation and flexibility.

If we look at the generations preceding us (Baby Boomers and generation Y), it is categorized by our parents working their fingers to the bone to ensure we enjoy the daily luxuries they could only dream of. Consequently, work life balance is something they knew very little of.

Traditional cash rewards is not the deciding factor for Generation Y. We value the opportunity for progression, reflecting the ambition and optimism of our generation. Our generation wants their abilities to be challenged, skills developed, and coached. We are open to detailed and regular feedback to improve ourselves. This unique millennial characteristics demands a different approach to recruit and retain employees. As it is definitely less about the money and more about building meaningful career paths.

Baby Boomers

Born: 1946—1964

To the millennial climbing the corporate ladder means little, if viewed in a vacuum. We want to see our contribution to the world and therefore take into account the values of a company in considering a future employer.

An interesting study done by PwC on Millennials in the work place reflects that amongst others, the millennial generation is no longer willing to compromise,

based on need, when accepting a job offer because compromise is the result of having little choice and financial pressure.

No surprise here that millennials are also opting to marry and bear children later in life to minimize their responsibilities. In a recent study done millennials have even gone as far to say that they are willing to be married for a two year trial period, upon which they will either divorce or re-marry, reflecting this generation's desire to be sure about their decisions.

Generation X

Born 1960s -1980s

Our generation's dependence on technology has us hooked to brands and marketing, playing a pivotal role in the companies we associate ourselves with. There is also an increasing employee focus on the green world and as a result 65% of people around the world want to work for companies that have a strong social conscience and environmental responsibility. I do, do you too? Organizations have control over their supplier networks to ensure that corporate ethical values are upheld within the supply chain and can therefore address it when things go wrong.

In turn, ethical values, support for the real economy and family friendly working hours are essential considerations to the millennial. It's quite simple - As a person who cares I want to work for an employer who cares too!

Creativity in the workplace is more significant than ever, because not only does the millennial want to be rewarded to motivate but also to grow through a variety of assignments to ensure maximum exposure to a variety of experiences.

We want to be exposed to as much training as possible to reach our maximum potential.

This will be key to the millennial's need for workplace mobility and the need to work overseas ensuring individual but also global organizational growth.

As our generation generally values feedback that highlights positive contributions and areas for improvement. At the same time, we like freedom to figure things out when we feel most



Millennials

Born: 1980's —2000's

productive (as you may have guessed this is not necessarily between 8 and 5), but with clear instructions and deadlines.

In return, most of us will want to deliver to produce high quality work.

Companies that are successful in attracting, recruiting and retaining the skilled millennial include Google and Apple. Studies reflect that employment at these companies include working in an innovative and high-tech environment, college tuition reimbursement, paid sabbatical leave, time off for volunteering work, maternity leave and 12 weeks paternity leave.

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Do managers need to adapt their management style to accommodate the younger generations?

Some Points to Ponder...

- Managers need to adopt a more transparent approach in areas such as performance management and personal development planning. By consistently and openly communicating with staff in respect of their strengths, a more collaborative management style is achieved. **This will benefit the engagement of younger generations in the workplace**
- By implementing programs such as Personal Development Plans and by providing employees regular feedback on their professional growth, organizations create increased employee motivation, **increased job satisfaction, and improved engagement levels.**
- Employers should relook their **technology processes** and involve Millennials and Generation Z in these focus groups.
- Re-training managers on Human Resources and **modern management practices.**
- Although younger employees are more likely to be shielded from the biggest responsibilities at work, a large percentage of them are frequently concerned about their **work-life balance, pressure to work long hours, and personal health.**

The Generation Gap

A new style of management is required...

- To keep younger generations motivated it is essential to include meaning in their work by explaining the purpose and vision of the organization, more flexibility in their roles via working remotely, flexible leave, office attire, etc; and regular professional and personal development.
- There is resistance from the Millennials and Generation Z's to accept the old "tell" style of management. The younger generations prefer a more collaborative approach.
- The ability to inspire and recognize employees requires a specific type of leadership and management style. The global trend of moving to a managerial style that connects and enables employees, is gaining momentum globally and is particularly appropriate in the management of Generations Y and Z in the workplace.
- Senior leaders should take the lead with regard to living the values of the organization. The ethics of senior leaders in Africa will be placed under the microscope by employees, in particular Millennials and Generation Z's.
- A key element of employee engagement is providing an environment of trust and certainty. Senior leadership is currently not viewed as being open and honest.
- Employees do not feel that their direct supervisors provide suf-

"Create the kind of workplace and company culture that will attract great talent. If you hire brilliant people, they will make work feel more like play." – Sir Richard Branson



81% of Millennials are either actively looking for a new job or are open to offers³



PwC's TaxTim

Introducing Employee Assist from PwC's TaxTim

Is the completion of your personal tax return an administrative nightmare?

PwC's TaxTim, a new electronic tax return completion tool, puts an end to your misery.

TaxTim is a friendly online assistant that asks you a series of questions. In the end he provides you with an completed tax return ready for submission to Inland Revenue.

Now imagine being able to offer all this to all your employees...

We are offering TaxTim employer packages:

- A voucher for each employee used for on-line access to PwC's TaxTim tool;
- Once completed employees print 2 copies of their tax return and drop it in a box at your office
- We collect the completed tax returns from your office and hand in at Inland Revenue
- We return copies of submitted tax returns in closed envelopes to your HR team to distribute to employees

Benefits of this for employers include:

- increased productive time - employees do not need time off to submit tax returns
- increased attention while at work if an employee's taxes are under control
- could be offered as a benefit to staff, increasing staff morale
- reduces the reputational risk for your organisation if your employees do not submit tax returns

Our pricing

Standard TaxTim pricing is from N\$99 per tax return

PwC TaxTim pricing under an employer group packages can be reduced by a further 30%.

The screenshot shows the TaxTim website interface. At the top, there is a navigation bar with links for Home, About Us, How it Works, Pricing, Blog, Ask a Tax Question, Help, and Calculators. Below the navigation bar is a progress bar with 10 steps, the 10th step being active. A cartoon character of the TaxTim assistant is on the left. The main content area contains a question: "To which Inland Revenue office did you submit the return?" with a text input field and a "Save" button. Below this is a "Section 15 - Additional Info. Did you submit a tax return for 2014 tax year?" with "Yes" and "No" radio buttons. The bottom of the page shows "2015 TAX YEAR" and "SETUP" buttons.

We would really like to do a demonstration about this product offering.

If you are interested in this product please contact us, or visit our website for more details, and we will contact you for an appointment.

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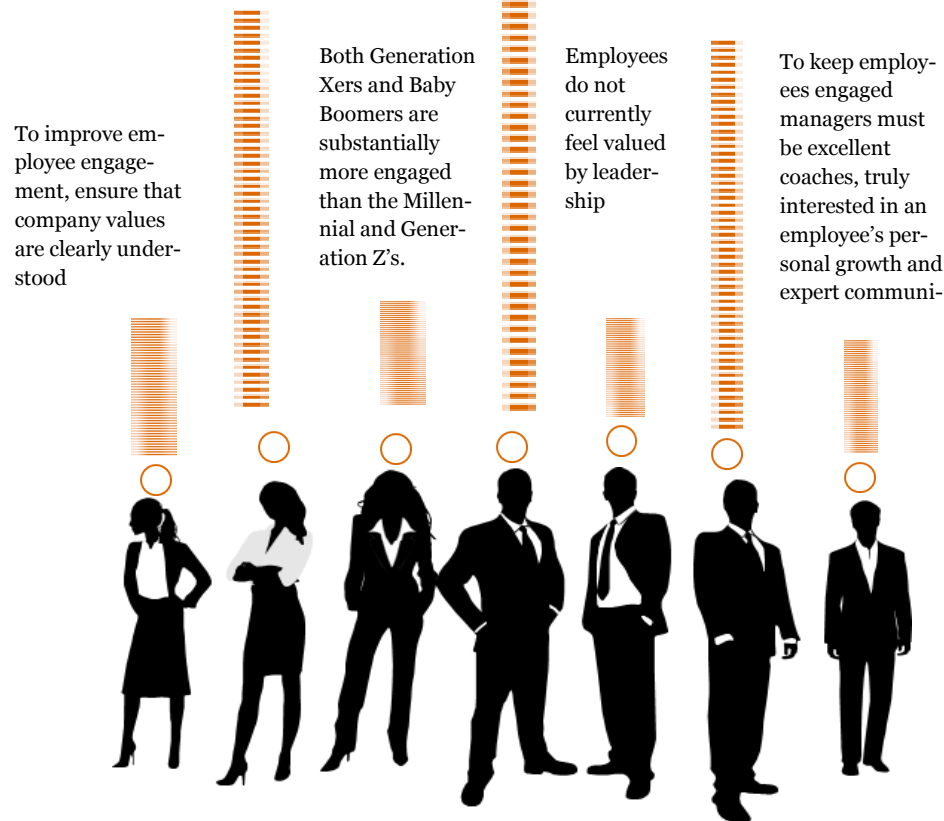
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Employee Engagement and the Generation Gap in Africa

The true drivers of employee engagement are an employee's working relationship with the manager, a feeling of accomplishment at work and trust

With the influx of Generation Z into the workforce, an adaptive and collaborative style of management needs to be adopted by organizations

Organizations who fail to provide career growth opportunities run the risk of lower employee engagement. Employees throughout Africa believe that they are not adequately compensated for their contribution to their organizations



Source: Emergence Growth Report: Africa Employee Engagement Survey (2015)

General Updates & Reminders

SSC improves benefits & raise wage ceilings

Effective date backdated to 1 January 2016 the following ceilings will be raised without any increase in members' contributions:

Maternity Leave Benefit

100% of basic wage to maximum of N\$ 13,000 (currently N\$ 10,500) payable for 12 weeks.

Sick Leave Benefit

75% of basic wage to maximum of N\$9,750 for the 1st 12 months and 65% of basic wage to maximum of N\$8,450 for last 12 months.

Retirement / Permanent Disability / Death Benefit

Single lump-sum payment of N\$ 8,475 (currently N\$ 5,515)

Source: www.ssc.org.na

Remember!

2016 PAYE Reconciliations and issue of PAYE certificates to employees were due 30 March

Refer to the PwC Tax First Newsletter (<http://www.pwc.com/na/en/publications/tax-first.html>)

for the latest on **2016 Budget Speech**

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Don't forget to view our training calendar on the PwC Business School link: <http://www.pwc.com/na>

