



HR Matters

Namibia Newsletter

Final Edition 2018

How the economic climate impacts increases

We would like to wish all our valued clients a blessed Festive Season and a Prosperous 2019.

Kindly note our office will close 14 December and will re-open 8 January.



Over the past several months, the word recession has been on the lips of economists and business owners alike. Profits are plunging, share prices continue to be under pressure and shareholders want a higher return on investment.

At the same time employees are continuously faced with increases in cost of living and less take home pay.

The anticipated average increases budgeted for in the next rolling 12-month period is anticipated to be above CPI (CPI is 4.6% in the third quarter), with the average of 6.8% on a total guaranteed package basis across industry sectors. The average reported increases for the past rolling 12-month period was 6.5%.

On the one hand, this is indicative that organisations are continuing to be conservative in their approach as they shy away from the double-digit increases, providing for larger increments for lower level employees.

On the other hand, we've noticed an overall improvement in the expected annual increments from this time last year, which could be indicative of the overall consideration for the increase in cost of living.

Average reported increases on TGP:

6.5%

	ACTUAL % INCREASES 2018	ANTICIPATED % INCREASES 2019
Executive & Management		
Basic Salary	6.7%	6.9%
Total Package	6.0%	7.0%
General Staff		
Basic Salary	7.0%	7.0%
Total Package	6.5%	6.5%
Unionised Staff		
Basic Salary	7.5%	7.4%
Total Package	7.0%	7.0%

Source: PwC's HR Quarterly, 3rd Edition September 2018



Contact us:

Hans Hashagen
hans.hashagen@pwc.com
Tel: +264 (61) 284 1063

Mari-Nelia Hough
mari-nelia.hough@pwc.com
Tel: +264 (61) 284 1070

Ndapewa Hangula
ndapewa.hangula@pwc.com
TEL: +264 (61) 284 1205

“Employee Engagement

Our current economic climate not only has an effect on the bottom line, but affects the workforce morale as well. As employers in these difficult times we need to find new ways in increasing and improving our employee engagement with our organization. Here are a few cost-free ways that we can improve and or increase our employee engagement: *Communication, Development, Relationship with Manager.*

1 Communication

Effective communication is vital to all organizations. It does not matter what method of communication is used as long as information moves through the organization smoothly, in the correct manner and at the right time.

In order for communication to be effective and increase productivity it needs to be:

- Transparent-** If communication is effective and open it creates a culture of trust between employees and leaders. This in turn increases employees' engagement and productivity.
- Less friction -** When an organization is more open and communication is effective friction and misunderstanding will be less prevalent. There will always be friction and misunderstandings as these are not avoidable, but their duration and degree of intensity can be managed. We should in all cases resolve these misunderstandings as soon as possible and encourage employees to share their ideas and thoughts.
- Healthy Culture -** When communication is effective and positive it creates a healthy culture where both leaders and employees feel valued and committed. This increases engagement and productivity.
- Accountability -** If communication is effective it not only ensure employees to feel valued and committed but it also increases accountability. With effective communication employees can receive clear and specific instructions and understands exactly what is expected from them. Should there be no accountability, no one will know how and what to improve on.
- Clear Direction -** No one like change but if leaders communicate clearly about where they to take the organization, this will give employees a clear understanding of where the organization is heading and what their roles are in the journey of making a success of the organization. If employees are clear about the direction of the company and what their roles are, they are more likely to be more engaged and work harder to achieve these goals.



2 Development

In difficult times one of the first things to be slashed is our training & development budget but even in difficult times it is still possible to assist our employees with training & development. The key is to focus on small promotions and advancement within the organization and communicate these constantly. This gives employees a sense appreciation. Even in these difficult times our organizations take pride in developing our skills and goals. As an organization there are development opportunities that are low in cost, namely:

- Mentoring programs
- In-house training facilitated by colleagues
- Peer to Peer mentoring programs

3 Relationship with Manager

So what can managers do to increase engagement within their respective teams? Firstly it's important to know where our employees' in terms of engagement are. See below a few examples.

A Captive employee – They are rather critical and often difficult to lead. They can have an influence on those around them. They have the greatest opportunity to move into Champions by addressing priority items.

Disconnected employees – They are dissatisfied and disconnected. Frustrated and prone to total discomfort. Basically known as under-utilized resources of the organization.

Tenants – They are very satisfied. Productive, can have a positive impact on the organization. Straightforward and task oriented, but need to be directed.

The Champion – They have a strong identification with organization objectives, having high level of loyalty to the organization and high level of willingness to cooperate and motivate colleagues.

So with this information what tools are available for our managers to increase employee engagement? Below are few tips to assist Managers when engaging their teams.

Put everyone in the right role – Putting each employee in the right role is playing to each employee's strength. This will give each employee confidence in what they do and aligning these strengths to the overall organizational goals.

Provide Training - We cannot improve engagement by expecting trust and accountability without allowing our teams to succeed. Provide them with training and development opportunities they need and in turn will increase engagement. Employees feel valued and respected and will increase productivity.

Meaningful Work - If we place the right employees in the right roles and develop them we will have engaged employees. They will understand what they do and how and what they do contributes to the organization's success. If we do not get this right we will lose our employees.

Check in Often - Giving constant feedback allows employees a sense of commitment knowing that our Manager is on our side and that our development is a priority to them. This also allows for quicker corrections.

Change is constant, market data is not

One of the key value propositions of the REMchannel® on line salary survey is that data is updated on a monthly basis.

This means that data is continuously changing whether it be that the market sample and remuneration data increases or decreases. We are often asked to investigate the reason for the changes that take place. The diagram to the right provides some of the reasons for data fluctuation in REMchannel®.

All participants are obligated to update the REMchannel® system with their employee information a month after their annual increases have been implemented. We do allow for an extension of one additional month however should the entire upload process not be completed within that period the participant's data will be deleted and they will not have access to any REMchannel® data until the full upload process, including the month end processing of data, has been completed.

However in some instances there could be a valid reason for a participant not completing the upload process, for example, ongoing union negotiations which resulted in increases not being implemented.

We do not delete the data of these participants as it is, in essence, still valid, however the market data could be impacted positively or negatively once their new data has been uploaded.



It is in the best interest of all participants that the survey continues to grow. New participants added to the database who are either low or high payers will influence the market data.



The reality is that in any particular year there may be participants who do not renew their subscriptions. We do not retain outdated information and the data set will be deleted from the database.



In cases where participants do not provide data within the required time frame and increases have been implemented, data will also be removed.



As jobs change and organisations restructure they will rematch their jobs to the survey jobs. In addition industry user groups determine what the most effective and representative matches would be.



Of course some of these changes take time to reflect in the database. Rematching of jobs will take at least a year cycle before the sample sizes increases to represent the market trends.

How to deal with fluctuating market data

Generally, after industry user group meetings and as long as there is consensus from the majority of participants, new jobs are added and obsolete jobs are deleted from REMchannel®.

A report listing the roles affected can be found on REMchannel® under the useful information section of the system. The impact of these additions and deletions can influence the market data for other jobs in the system and, in addition, it is important to keep in mind that the market sample and data for new jobs introduced will take some time to build up and stabilise.

To protect the confidentiality of data, should less than four participants be matching to a role or a participant company is dominating the sample matched to a role, the system will indicate that there is insufficient sample to provide a market benchmark report. In addition, should there be less than 11 data points matched to a role then only the mean/average will be reflected on the REMchannel® market data report.

No matter what the reason is for the change in data, you can rest assured that one thing that will not change is our strict validation of all data uploaded into REMchannel®.

We pride ourselves on our consistent, thorough upload process and are more than willing to address any queries you may have.



Knowledge Share | 2018 Employee Benefit Survey

Publication available for sale

What is it - This comprehensive piece of research provides organisations with the ability to benchmark the competitiveness of benefits such as leave, housing, travel allowances and retirement funding and communicate the market practices effectively to employees.

Topics covered

