

HR Matters

Namibia Newsletter

Third Edition 2019

In Country Specific Pay Scale VS Group Pay Scale

A quarterly newsletter

published by PwC Namibia
providing informed commentary
on current developments in the
People & Organisation arena.

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There are various multi-national organizations that struggle with the challenging decision to adopt either an In-country specific pay structure VS a group-wide pay structure. Below are some considerations when dealing with this decision to assist with making a more informed decision based on the in-country organization needs.

In Country Pay Scale

Advantage

Labour Market:

The country you operate in determines your labour market i.e. where you are likely to lose or attract staff for the majority of the staff complement therefore their remuneration should be linked to the local country.

Comparable Benchmark Data:

In country credible, reliable and comparable data is readily available through reputable salary survey houses.

Challenges

Labour Mobility:

We understand executive secondment or mobility may be required due to scarcity of skills at executive level. A local, in country pay scale may result in variances in executive pay across the group.

Relative group alignment in executive remuneration may therefore be considered to avoid significant variances in executive pay.

Costing:

It may be an expensive once – off cost to develop local pay scales and align to the applicable pay scale.

Group Pay Scale

Advantage

Internal Equity:

Applying a uniform pay scale throughout the group may promote internal equity and assist with labour mobility within the group.

Cost perspective and Wage Bill Planning:

It may be beneficial from a cost perspective to apply a group pay scale. Wage bill projections can be done by head office with minimal involvement by the local company

Challenges

Internal Equity vs External Competitiveness

Applying a uniform pay scale throughout the group may promote internal equity and assist with labour mobility within the group.

Difficulty in obtaining Comparable Benchmark Data:

Credible, reliable and comparable data for all entities in the region may not be available readily. Furthermore, pay methodologies and benefit offerings differ across borders making regional benchmarking even more challenging.

Labour Turnover in Financial Services Sector

PwC recently conducted a short survey to determine the labour turnover statistics specifically within the Namibia Financial Services Industry. The survey was to determine the average labour turnover in the last 12 months.

The average labour turnover was found to be **8%** over the past 12 months.

From the public sector participants were found to have a labour turnover rate of **less than 5%** which indicates a significantly stable workforce. The private sector however indicated more fluidity in employee movement.

The majority of the terminations in the last 12 months were on staff level.

Based on the total terminations reported

- 73% thereof was at staff level,
- 25% on management level and
- 2% on executive level.

A labour turnover rate of 10% per annum is considered the norm and within acceptable range.

What's your labour turnover rate?

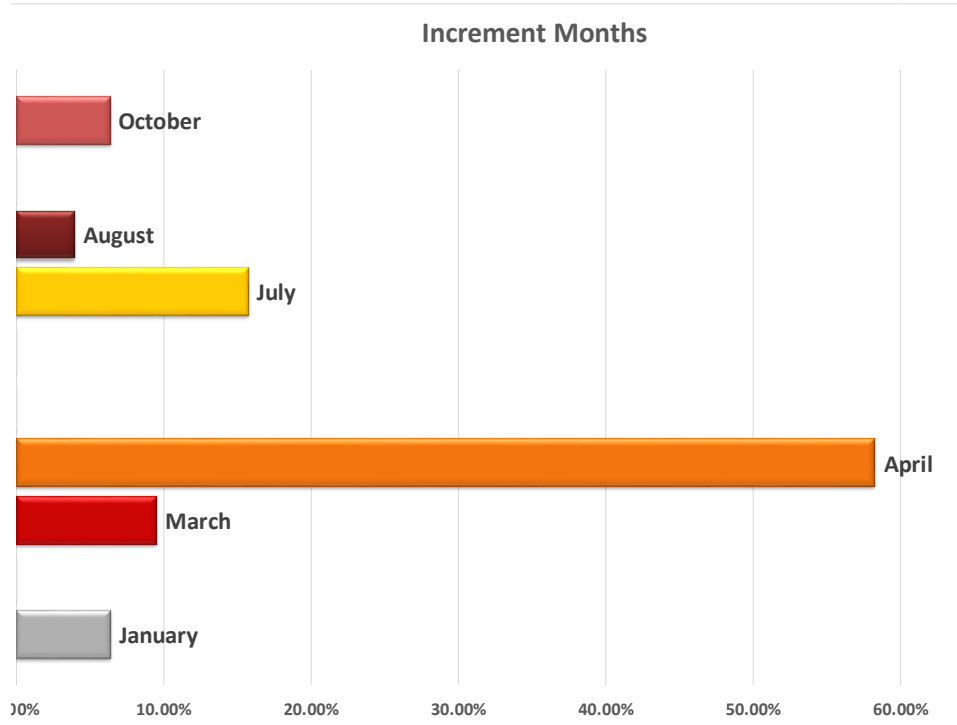


PwC's REMchannel® Namibia Stats

With every months publications, we analyse data from our subscriber database. Here are some statistics from the survey for pay adjustments
All this information and more is available at your finger tips if you subscribe to REMchannel® the largest online salary survey in Namibia.

REMchannel published the reported pay adjustments for the National dataset as a whole, as well as the salary review months.

From the survey it is evident that the majority of our subscribers' salary review month is April.



The majority of our subscribers are State-owned Enterprises, which we refer to as the Public Sector. Aligned with the Government financial period, SOE's review salaries and grant increments in April each year.

In this month issue we would like to share the reported pay adjustment captured in the survey for the year-to-date for the Public Sector, i.e. SOE's:

Executive

Remuneration structure	Percentage Increase last year		Percentage Increase next year	
	Mean	Median	Mean	Median
Total package	5.2	6	4.3	5.5
Basic Salary	3.8		6.7	

Management

Remuneration structure	Percentage Increase last year		Percentage Increase next year	
	Mean	Median	Mean	Median
Total package	6	6.2	5	6.5
Basic Salary	5.8		5.1	

General staff

Remuneration structure	Percentage Increase last year		Percentage Increase next year	
	Mean	Median	Mean	Median
Total package	6.6		6	
Basic Salary	5.9	6.6	5.2	6.5

Unionised staff

Remuneration structure	Percentage Increase last year		Percentage Increase next year	
	Mean	Median	Mean	Median
Total package	6.4		5.5	
Basic Salary	5.4	6.5	4.6	6

For more info contact [Leandi van der Westhuizen](#) or [click here](#) to visit our website and please join our survey today!

Talent trends 2019

Upskilling for a digital world

Part of PwC's 22nd Annual Global CEO Survey trends series



These are precisely the types of questions that keep CEOs awake at night, according to PwC's 22nd Annual Global CEO Survey. Four out of five CEOs bemoaned their employees' lack of essential skills and identified this factor as a threat to growth.

That concern has risen in line with the advent of new technologies over the past five years, and is voiced consistently across all regions: CEOs in Japan and Central/Eastern Europe are most worried, with 95% and 89%, respectively, naming it as a concern, whereas those in Italy (55%) and Turkey (45%) are the least anxious about it. The skills shortage stymies growth chiefly because it stifles innovation and raises workforce costs.

There has been a clear shift over the past few years in the type of skills that leaders say they are looking for. In 2008, CEOs were struggling to find people with global experience. Today, organisations desperately need tech-savvy leaders and employees. In other words, at every level of the hierarchy, people are needed who can harness innovative thinking, form the right strategies and apply the systems and tools that best fit the needs of the business.

A delicate balance

Top executives increasingly worry about the impact that their companies, strategies and activities will have on the environment, local communities and their employees — and how they balance this with cost and market pressures and quarterly earnings targets.

Against this background, one somewhat intractable challenge is beginning to stand out: the size and composition of the workforce.

Automation, primarily in the form of robotics and artificial intelligence, brings with it the promise of improved productivity and higher profits — but at what cost to employment and, by extension, to society?

What responsibility do corporations have to reskill employees who otherwise would be displaced by technology? And what value does reskilling offer an organisation?



Visit our website and download the full report [here](#) on the **Talent Trends identified during the 22nd Annual Global CEO Survey.**



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INTRODUCTION

Over the years, there has been a great shift in the role(s) of the HR Business Partner (HRBP).

Previously, most HRBP-related responsibilities dealt with administrative or transactional activities, however today, most of this administrative work shifts to the HR service delivery function, leaving the HRBP to focus on strategic initiatives. The modern HR Business Partner must not only serve as a mediator between employees and management, but also ensure strategic and transformational target are met.

So how can the modern HRBP rise to the challenge? And what crucial skills are required?

The **2019 HR Business Partner Conference** will bring together CHROs, line managers, business leaders and senior HRBPs to share key insights on the future of the HR Business Partner role.

WHY YOU SHOULD ATTEND THIS CONFERENCE

- Discover how the role of HRBP will change in the new world of work
- Hear case studies from companies with the best HRBP models
- Get insights and examples of improved business results through effective implementation of the HRBP role
- Learn how to create a meaningful workplace through driving purposeful organisations
- Discover how to translate your organisation's strategy into an effective and actionable HR strategy
- Build a strong and credible relationship with line management after hearing how to be an internal consultant
- Learn the critical success factors for establishing and keeping employee engagement high within your organisation

WHO SHOULD ATTEND THIS CONFERENCE

- HR Business Partners
- Human Resources Managers
- HR Executives managing and developing
- HR Practitioners
- HR Directors
- Talent Managers
- HR Consultants
- Line Managers (who would like to collaborate better with HR)

Presented by



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