

# *HR Matters*

## Namibia Newsletter

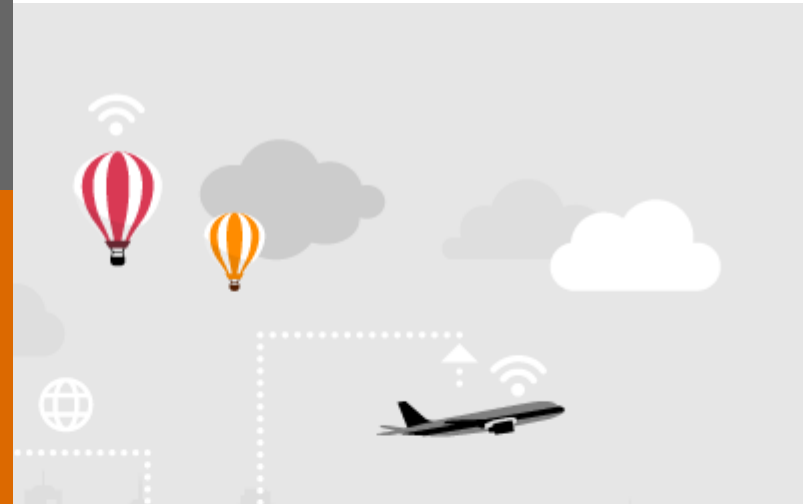
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A quarterly newsletter published by PwC Namibia providing informed commentary on current developments in the People & Organisation arena.

To subscribe to this newsletter visit

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# PwC People & Organisation Consulting

## What is People & Organisation (P&O) Consulting?

We like to describe ourselves as Business Improvement Specialists. The P&O Team's primary focus is on Human Resource/People related consulting.

Our focus in the Namibian market is to assist clients solve their workforce related challenges. We can help you understand your organisation, people, culture and assists with aligning business strategies and organisational structures to fit your business' overall purpose and strategic intent.

With the changing workplaces and the new world new skills movement, it is important for organisations to ensure that they have the right structures in place to help deliver on their strategy. The right structures, the right people, the right skills, the right culture, the right performance management systems, all of which help organisations operate effectively.

## The importance of aligning Business and HR strategies

It doesn't serve an organisation any good to have a well-crafted strategy in place, but the workforce and talent management is not aligned. The truth holds that people drive the business strategy and ultimately the business success. Solving people related issues promotes strategy execution and the overall business success.

We are here to assist you and help solve all your workforce related challenges and needs.

## Our portfolio of services include:



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# How COVID-19 will transform HR's role

## *HR departments are supposed to be at the front lines of employers' response to the COVID-19 crisis.*

The crises and lockdown have forced almost every business to immediately redesign, adapt and/or improve working environment policies and procedures, especially for remote working conditions.

As HR teams struggle to keep employees safe and informed, it is important to consider which of these practice and policy changes will become more permanent and how HR should guide employees and organizational leadership through those changes.

## **Here are some effects that HR will likely be dealing with long after things return to "normal."**

### **1. Remote work will become a more permanent feature for some organizations.**

Even after lockdown, we find that some employees are and will continue working remotely.

Luckily, for most employers, the technology and communications infrastructure needed for successful remote work are available to employees. Employers who are challenged with technology and limited communication infrastructures may be less prone to advocate remote working.

But HR may still need to collaborate closely with Finance, IT and other departments to develop and implement the applicable rules and regulations to further enhance and enable remote working. Among the questions that need to be addressed:

- How will managers translate existing work rules, meeting schedules and communications strategies to the new reality, which virtual platforms are available and cost effective to the company
- Who will pay for remote workers' connectivity and any required equipment, like printers, monitors, headset, etc.?
- How will you recover them if someone quits or is fired?
- Are there any job descriptions change required to accommodate part- or full-time remote work?
- How will attendance be monitored?
- What HR functions must adapt – talent acquisition and development, discipline, benefits and compensation all introduce their own challenges in a remote work environment.
- And to top it all off - HR's role in monitoring and

maintaining morale becomes even more crucial.

- Consider creating a formal process for checking in with remote employees to ask how they are doing and to keep on top of any issues after that may arise.

After lockdown several organization have now determined which jobs cannot be done effectively offsite, so HR along with management will need to identify if any contingency planning is required for these roles and jobs, should we be faced with another lockdown.

### **2. Nurturing culture gets more challenging in dispersed workplaces**

Workers and business leaders tell researchers they believe a strong and well-defined organizational culture is critical to long-term success.

It sets the organization's identity, helps form its mission and gives employees at all levels a sense of identity and purpose in their work.

But culture is also vulnerable in times of crisis when decisions are being made on the fly and financial survival takes priority over almost everything else.

Unfortunately, culture is also impossible to automate — there is no technology solution that can preserve and enhance organizational culture.

Employee engagement, constant communication and demonstrated commitment to your culture by leadership are the only tools that will work.



It is hard to put culture at the top of HR's priority list while you are putting out fires every day. But, if anything, culture is even more important now and can hold your organization together over the long term.

### **3. Engaging a remote workforce**

Keeping employees engaged, enthused and productive is one of HR's and team managers' most valuable roles in the times we find ourselves in.

And research makes it clear that employees who feel that their physical and emotional wellbeing is a real priority for the organizations they work for are more engaged.

That translates into real money.

Two decades of Gallup research shows that highly engaged teams:

- produce substantially better outcomes
- treat customers better and attract new ones, and
- are more likely to remain with their organization than those who are less engaged.

Engaged employees are also healthier, Gallup reports, and less likely to experience burnout.

You can show workers at home you are committed to their wellbeing by adjusting benefits.

A well-defined actionable wellness program is now more important than ever. If you don't already include mental health consultations as part of your wellness program, consider adding it in.

And, with financial stress impacting almost every employee, it is a good time to investigate options like subsidized loans and/or free access to financial education webinars. Several companies are initiating financial freedom webinars in Namibia.

Taking effective action requires leaders to conduct advanced planning and make strategic management decisions, all of which will rely heavily on the advice and insight only HR can provide. So yes, even if we are post lockdown and we may be seeing the light at the end of the COVID-19 tunnel, we cannot afford to believe business will return to normal. No, we need to invest the time and energy now to ensure the organisation can adapt quickly with the evolving work environment.

**Source of Article: [hrmorning.com](http://hrmorning.com)—article by Tim McElgunn dated March 24, 2020**

# Retrenchments: The Reality of Downsizing Survivor Syndrome

*The increasing news and media reports on companies who are downsizing and/or cutting jobs across Namibia are a startling reflection on the faltering Namibian economy, which through COVID-19 experienced another severe punch. To try dealing with the impact, be competitive, efficient and sustainable through these trying times, organisations choose (or feel forced) to downsize and restructure their business models and processes.*



But what about the people that are impacted through these measures? This article will not address the psychological impact of those retrenched, but rather shed some light on the effect downsizing and retrenchments have on those *not* retrenched; those who were spared. These employees are, more often than not, left with countless questions and concerns which may potentially negatively affect the organisation in particular where the people factor was not addressed with those remaining – the ones who are now supposed to continue driving the success of the company.

*So, the question is, how should organisations manage survivors of downsizing?*

At a first glimpse downsizing may look sustainable and favourable for organisations and the employees who were not retrenched may be labelled as “the lucky ones”. When taking a closer look at the “survivors”, it however becomes clear that downsizing instils fears in these employees left behind. This is referred to as “*downsizing survivor syndrome*”.

Various studies have published findings on survivor syndrome. The emotional strain downsizing has on survivors can be immense. The entire process or series of events, from losing co-workers to increased workload

or additional responsibilities may all lead to direct physical and physiological effects. This in turn may lead to absenteeism, decreased quality of work and/or decreased productivity. Organisations should be alert of the potential reactions of the survivors, which could include expression of grief for those laid off, feelings of resentment and anger towards their employers. All of which may somewhat diminish trust between the employer and employees. The aftermath of the downsizing also brings about the obvious fear of job security. Employees may continuously be faced with the fear that “*they are next in line to leave*” and with increased anxiety, motivation deteriorates and job satisfaction fades.

## Immediate reactions of survivors

It is likely that when downsizing happens, survivors left behind are likely to work harder and employees will put in more effort and increase productivity, however, *Applebaum et al (1997)* argues that this is normally short-lived as employees do it to stay safe and to keep their jobs. The negative factors that result due to downsizing can have a huge impact on the organisation if not addressed earlier and with urgency, preferable immediately following the retrenchments.

## Recommendation to deal with Survivors

*Susan Peppercorn (article from Harvard Business Review)* advises leaders to exhibit care towards employees and to be willing to adapt and readjust in order to prioritize people over profits during this time. Organisations need to alleviate any fears and provide assurance to employees to safeguard against the compromise of the trust relationship. Several studies conducted by *Bujang & Sani (2010)* and *Maertz et al (2010)* all recommend that the organisation has a responsibility to communicate to those remaining on the next steps with re-

gards to retrenchments and/or downsizing. Communication should be continuous to avoid major surprises and for employees to remain informed. “Over communication” should be the key message here.

Survivors of the downsizing also want to know how the organisation is taking care of those laid off, the support they are offering them and if possible, be included in this process. For those employees taking on new responsibilities, support structures are required, and help availed where possible to ensure employees are equipped to perform their duties with minimal strain. Support from leadership and line managers will assist to motivate increased productivity and maintain overall well-being.

## To sum up

Organisations need to take cognizance of the fact that the way they treat employees being laid-off sends a message to those left behind and to those who would like to join the organisation in future. Organisational reputation damage is likely, along with mounting trust issues for those remaining. Therefore, proper communication should happen with the strategic direction of the organisation – **during and well after** the downsizing, to prevent as far as possible, the onset of downsizing survivor syndrome.

**Article by**  
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# PwC's REMchannel® Namibia Stats

With every month's publications, we analyse data from our subscriber database.

Here are some statistics from the survey for pay adjustments for the month of July 2020



**REMchannel published the reported pay adjustments for the National dataset as a whole. We've noted several organisations have postponed planned increments since April. The current pay adjustments reflect as follows (we noted an average 1% decrease since April):**

## Executive

Remuneration structure	Percentage Increase last 12 months		Percentage Increase next 12 months	
	Mean	Median	Mean	Median
Basic Salary	5.60%	5.00%	4.10%	5.00%
Total package	4.10%	4.90%	3.70%	5.00%

## Management

Remuneration structure	Percentage Increase last 12 months		Percentage Increase next 12 months	
	Mean	Median	Mean	Median
Basic Salary	6.10%	5.90%	4.20%	6.00%
Total package	4.60%	5.00%	4.30%	5.00%

## General staff

Remuneration structure	Percentage Increase last 12 months		Percentage Increase next 12 months	
	Mean	Median	Mean	Median
Basic Salary	6.20%	6.00%	4.60%	5.00%
Total package	4.60%	5.00%	4.70%	5.00%

## Unionised staff

Remuneration structure	Percentage Increase last 12 months		Percentage Increase next 12 months	
	Mean	Median	Mean	Median
Basic Salary	6.10%	6.50%	4.10%	5.00%
Total package	3.00%		2.90%	

All this information and more is available at your finger tips if you subscribe to REMchannel® the largest online salary survey in Namibia. For more info contact [Leandi van der Westhuizen](#) or [click here](#) to visit our website and please join our survey today!

# Benchmarking in unprecedented times

Article written by Rene Richter



The year 1918 heralded the advent of the Spanish flu, which lasted about 15 months. This influenza virus infected 500 million people, about one third of the world's population at the time. Then came the roaring 20s. This period saw the large-scale advancement and utilisation of automobiles, telephones, motion pictures, radio, and electrical appliances being introduced to the lives of millions of people globally. Air travel gained traction and many countries saw quick mechanical and financial progress. This led to increased customer demand in what was deemed to be a new way of life. Advertising increased spurred on by consumer demand, and economic growth ensued.

Move the dial forward to 2009 – another pandemic, although less talked about, occurred. The 2009 swine flu pandemic was an influenza pandemic that lasted for about 19 months, from January 2009 to August 2010. There are indications in some studies that the actual number of cases including mild and asymptomatic cases could be somewhere between 700 million to 1.4 billion people, affecting between 11 and 21% of the global population at the time. Of course, this coincided with the financial meltdown, which further influenced the global economy – leading to negative growth internationally.

And here we are today facing the COVID-19 pandemic. A global economic meltdown is not an understatement. So, what does this have to do with benchmarking? The reality is that after the downturn there will be level of normalisation and renewed growth, albeit in a very different world. This means that the operating models of many organisations will have to adapt

to the change, and very quickly. Future strategies are being crafted as we speak, workforce capabilities are being analysed and upskilling is taking place at a pace never imagined. At the same time organisational structures are being adapted to be fit for purpose in the future. The new world of work, once talked about as if it were far into the future, is now a reality, and it will influence the type of skills required for growth and prosperity. As these organisational structures are reviewed there are certain basic principles that must be adopted to ensure that your workforce meets your future needs. This will require that role profiling be revisited, and competencies and skills will need to be clearly defined to facilitate reskilling of your workforce. Most organisations already have outdated role profiles, and the impact of COVID-19 is seen as the perfect opportunity to review not only the operating model but the fundamental structures that underpin reward management.

Of course, understanding the level or grading within the new structure is crucial to align remuneration to achieve strategic long-term objectives. At the same time, your employee value proposition must be realigned to attract and retain these skills. While they may be different in the various sectors, one thing is certain: technology will influence each of the roles in our workforce in various ways.

The question is whether you understand the impact on your remuneration structures and whether you are preparing for the potential upswing post COVID-19.

How will your reward philosophy be adapted to address the new norm, if at all?

Remuneration decision making cannot take place in a vacuum. Losing track of what is happening in the market could become a very costly exercise. Considering that losing a key skill could cost your organisation between two and three times an annual guaranteed package it would most certainly be of the utmost importance to understand what your competitors are doing in the remuneration space. While all organisations are looking to reduce costs, not benchmarking in these unprecedented times could be a very expensive exercise indeed. Once you start lagging the market and your turnover increases it may cost far more to catch up to the market than originally envisaged. This will of course be further exacerbated by cost-cutting initiatives such as freezing increases. We will be monitoring the movement of data in the REM-channel® online salary survey very closely in the coming months to establish which skills are attracting premiums.



# *PwC Publications Available*

some additional resources for HR professionals

*COVID-19: Responding to the business impacts of coronavirus*

PwC's [Global Crisis Centre](#) is working together with a range of organisations across industries to help them during this difficult time.

Follow the link to [our Global Crisis Centre](#) website for more information and diagnostics on how organisations, including those without direct exposure, can focus their efforts.

*The power to perform: Human capital 2020 and beyond*

Unpacking the challenges of disruption and understanding if your people have the power to perform are some of the relevant topics in the publication – follow the [link](#) to download the full report.

*Talent Management during COVID-19 Lockdown*

Contact our office for a copy of this survey on the effect of COVID-19 on Talent Management for Namibian companies, published during April 2020

*PwC Business School Virtual Classrooms*

Our Business School have several innovative virtual classroom and training sessions scheduled for the coming months. Visit the website for more information.

Follow the [link](#) here to download and subscribe to the events calendar



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