

Namibian Human Capital Trends 2015

Leading in the new world of work





This year's 10 trends are focused on four broad areas

LEADING



Leadership:
Why a perennial issue?
Companies are struggling to develop leaders at all levels and are investing in new and accelerated leadership models.



Learning and development:
Into the spotlight
Companies are actively exploring new approaches to learning and development as they confront increasing skills gaps.

ENGAGING



Culture and engagement:
The naked organization
Organizations are recognizing the need to focus on culture and dramatically improve employee engagement as they are facing a looming crisis in engagement and retention.



Workforce on demand:
Are you ready?
Companies are taking a more sophisticated approach to managing all aspects of workforce including hourly, contingent, and contract workforce.



Performance management:
The secret ingredient
Organizations are replacing traditional performance management with innovative performance solutions.

REINVENTING



Reinventing HR:
An extreme makeover
HR is undergoing an extreme makeover to deliver greater business impact and drive HR and business innovation.



HR and people analytics:
Stuck in neutral
Too few organizations are actively implementing talent analytics capabilities to address complex business and talent needs.



People data everywhere:
Bringing the outside in
HR and talent organizations are expanding their HR data strategies by harnessing and integrating third party data about their people from social media platforms.

REIMAGINING



Simplification of work:
The coming revolution
Organizations are simplifying work environments and practices in response to increasing organization and system complexity, and information overload.



Machines as talent:
Collaboration, not competition
The increasing power of computers and software to automate and replace knowledge workers is challenging organizations to rethink the design of work, the skills their employees need to succeed.



We are pleased to share with you the 2015 Human Capital Trends Report for Namibia which is the first country based report that Deloitte has conducted for Namibia. This country report is a companion to the Deloitte **Global Human Capital Trends 2015** report – one of the largest of its kind in the world. Over 3,300 executives from 106 countries participated in our survey this year, including 39 Namibian business and HR leaders who offered their insights on the future of work and human capital’s valuable role in shaping it. Our theme for this year, “Leading in the new world of work,” reflects our strong conviction that in 2015 business leaders must adapt to a new world that requires a dramatic change in strategies for leadership and talent.

In this report which is aimed at the Namibian market we highlight the six trends which the respondents have rated as most important:

1. Workforce Capability
2. Leadership
3. Learning and Development
4. Culture and Engagement
5. Reinventing HR
6. Performance Management

Demographic changes and generational transitions are having major impacts on the workforce as well. Millennials now make up more than half the workforce and leading organisations are addressing their needs through accelerated leadership paths, a greater sense of purpose and mission and greater flexibility in work places, schedules and tasks.

HR stands at the centre of achieving the necessary transformation of work to effectively respond to these 6 trends and challenges. It requires HR to be bold and apply innovative thinking, question longstanding practices and habits and a greater focus on culture as a key element in driving both workplace change and business success.

We hope you will find both this country report and the full report useful in your work and we stand ready to assist you in seizing the incredible opportunities and meeting the significant challenges we see on the horizon. We look forward to engaging with you to help unpack the findings and their implications for your human capital, HR and talent management decisions.

Ramsay Mc Donald
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Top talent issues in Namibia

The Global Human Capital survey measures both the importance of critical trends and issues and an organisation's perceived readiness to address the challenge.¹ We label the difference between the importance and readiness for specific trends the "capability gap"—a measure of how prepared organisations are to respond to the most urgent human capital issues.² The importance, readiness and capability gaps for the top ten Global Human Capital trends are shown in figure 1.

Based on the responses from the Namibian respondents, we were able to derive 6 Human Capital trends. The top 3 trends were ranked according to the importance index, they are as follows:

- Workforce capability (92)
- Leadership (91)
- Learning & development (89)

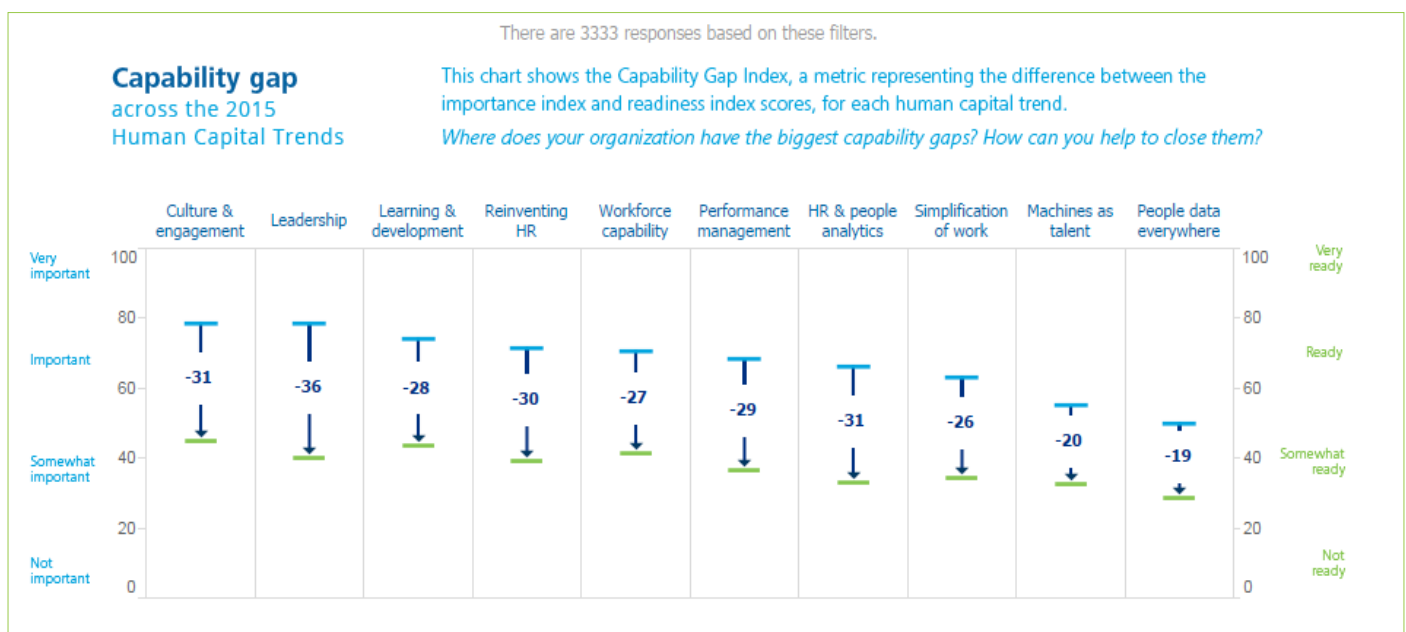


Figure 1: Global Human Capital Talent trends: Importance vs. Readiness

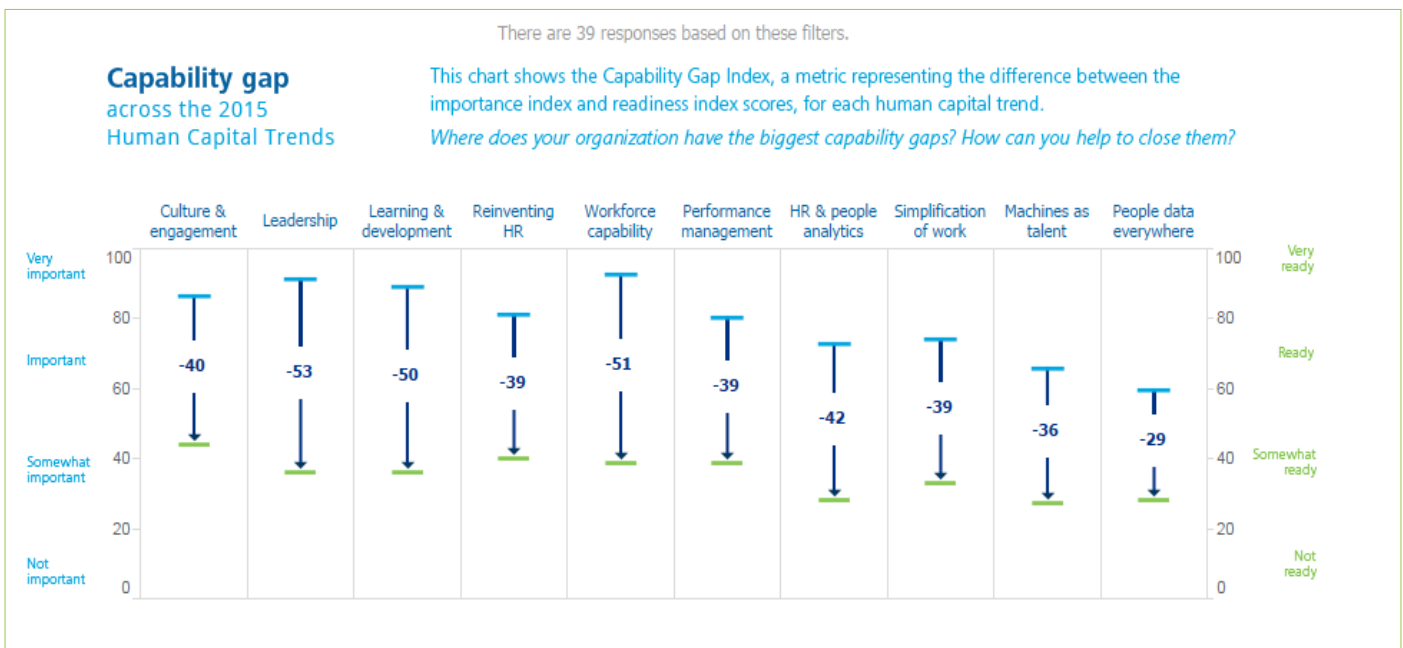


Figure 2: Namibia Human Capital Talent trends: Importance vs. Readiness

The Namibian focus areas are leading and engaging while data utilisation is a lesser priority at this time.

- The results are a confirmation that unfortunately, critical new skills are still scarce and are declining— their uneven distribution is forcing companies to develop innovative new ways to find people, develop capabilities and shape expertise to shorten the skills gap and provide for the needs of the next generation.
- Millennials are a major force—but so are older workers, who remain engaged and valuable contributors. This dynamic remains a challenge to adapt human capital strategies that meet the needs of the different types of generational workforce.
- Leadership continues to be the biggest challenge that companies in Namibia and around the world are facing specifically identifying and engaging emerging leaders.
- HR is falling behind in structure, skills, analytics, technology and the development of leading recruiting, learning and development programmes.

1. Workforce Capability

The research found that Namibian respondents deemed **workforce capability** as the most important trend, 77% rated workforce capability as “important” but only 23% are ready for the trend. However, when compared to global results it is the 5th most important trend. Organisations compete for increasingly scarce technical and professional skills. The on-demand workforce can offer companies the ability to tap into extensive networks of innovators, technical experts and seasoned professionals. To engage and retain them, companies should think broadly about how their HR programmes, strategies and analytics tools could be applied to employees. 69% of respondents have marked Leadership and also Talent acquisition as the number one challenge. 62% of respondents have marked workforce capability as one of the top 5 challenges in the next 12-18 months. The issue is skills:

- finding them,
- accessing them,
- developing them, and
- keeping them engaged.

Companies that succeed in building a “supply chain” for skills will be well positioned for success in innovation and performance.



71% of companies state that they have an understanding of their current skills and capability gaps and future business needs but struggle greatly to create & maintain a supply chain of critical skills. 64% of respondents rated talent teams as “weak” on the aspect of redesigning work to access skills in different places and 43% felt that their HR teams do not have a full understanding of where to locate skilled workers. In saying so, 71% rated the talent teams as having an “adequate” understanding of the current skills and capability gaps as well as understanding future skill requirements.

2. Leadership

The second most important trend in Namibia this year was **leadership** – a trend which has consistently been at the top of the global results, with 76% of respondents in our survey rating it as “important”. Leadership is a perennial concern for both organisational and HR leaders, in particular the need to identify and engage emerging leaders both generationally and globally. In Namibia, leadership had the largest capability gap of all the trends. In today’s competitive business environment and rapidly evolving world of work, organisations should continuously develop a robust portfolio of leaders who are ready to engage employees, push forward growth strategies, drive innovation and work directly with customers. Companies that fail to invest continuously in the leaders of tomorrow may find themselves falling behind their competitors. Surprisingly, 69% of respondents treat this trend as a short-term challenge. Only 5% believe that they have an ‘excellent’ succession programme and 77% believe that below adequate leadership programmes are being provided for that focus solely on millennials. 50% do feel that leadership programmes are available for all levels. 55% of participants agreed that there is adequate to excellent executive involvement and ownership of leadership development.

Companies face an urgent need to develop leaders, from bringing younger leaders online faster to keeping senior leaders relevant and engaged for longer. This involves a significant investment of time, resources and commitment to leadership from the executive team. A further challenge is for business and HR leaders to ask whether they are confident that they are doing enough and whether they are exploring new approaches to move forward on their business’s leadership requirements. The leader of today and the future expect greater flexibility, a new approach to work life balance and a digital work environment that lends itself to mobile work environments.

3. Learning and development

Learning and development is the third most important trend in Namibia which directly correlates with the Global results. 69%

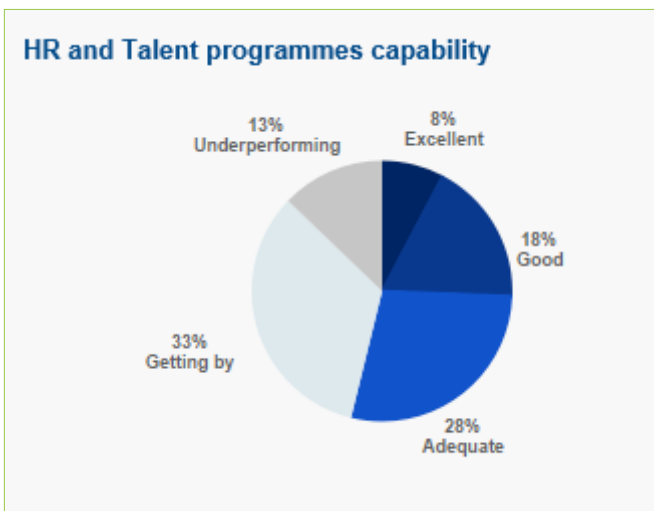
rated learning and development as “important” but only 34% are ready for this trend. This result suggests that, while the demand for technical and professional skills are a top priority, organisations are not meeting demand for capability development. To meet the requirements of the new world of work, learning and development is being transformed from an older, classroom-driven model to one that is “on demand,” convenient for workers, mobile, flexible and tightly integrated with solving business problems. Companies are adopting new technologies, consolidating offerings, carefully balancing centralisation and distribution and reimagining what the learning experience can and should be. As the corporate learning market undergoes a digital transformation, it’s time to assess your current learning environment and implement a new vision to help build a corporate learning experience that affects every employee in a significant way. By empowering employees to become equal partners in the learning process, the goal is to foster a culture of development and growth through:

- driving performance,
- engagement, and
- career development.

Adopting a flipped model of learning allows employees to be more empowered to manage their own careers. Companies should shift their focus from “delivering training” to “developing capability.” The respondents stated that 78% were developing a culture of apprenticeship and on-the-job training as well as 78% were efficiently managing learning and development operations within their organisations. Over 70% of participants stated that mobile, social learning, use of advanced media and Massive Open Online Courses were inadequately being utilised. Based on responses, Figure 3 below indicates a breakdown of the HR and Talent programmes capabilities of current programmes in Namibia.



Figure 3: HR and Talent Programmes capability



The remaining trends are in the following order of importance based on Namibia's results:

4. Culture and Engagement

Organisations are recognising the need to focus on culture and dramatically improve employee engagement as they are facing a looming crisis in engagement and retention, 72% rate this as "very important" while 37% are ready for this trend. 77% of respondents felt that they understand their organisations culture and 72% felt that they are "adequately" monitoring engagement levels. While 72% stated that HR and talent management were not effectively driving work life balance. 22% of respondents felt that their talent teams were excellently aligning their employee personal goals with that of the corporate purpose. 56% of respondents were not convinced that the desired culture was effectively driven in the organisation. Organisations must provide a sense of purpose, a strong culture, as well as career opportunities if they want to retain and engage skilled talent.

5. Reinventing HR

Globally, HR is undergoing an extreme makeover to deliver greater business impact and drive HR and business innovation. However, 75% of Namibian respondents felt that HR was not being held accountable for providing innovative solutions and programmes to reinvent HR processes and systems. It should be noted that 50% of HR teams are prepared to deliver programmes aligned with

business needs. HR teams need to increase their capability in order to align its skills and capabilities with the organisation's overall business goals especially as 62% rate this as "very important". As HR pursues its own makeover, its strategic role must also change to meet the intense pressures of today's business environment but in saying so only 37% are ready for this trend.

6. Performance Management

Performance management is being reinvented for a new, forward-looking purpose. This trend was the sixth most important trend for Namibia, 59% rated performance management as "very important" but 28% are ready for the trend. The responses rated their capabilities as "weak" by stating that 59% did not view the performance processes as an effective use of time and furthermore 53% of respondent rated their perception that performance management tools were not driving engagement and high performance through the process. It is vital that careful assessment needs to be done to ensure that the process is driving business values, coaching and useful feedback that drives performance.

In summary, the top six trends for Namibia, in order of importance index, with the state of readiness for the trend, are:

- Workforce capability (92) – with 77% of respondents rating it very important, while 23% rate themselves as not ready for it.
- Leadership (91) – with 76% of respondents rating it very important while 26% rate themselves as not ready for it.
- Learning and Development (89) - 69% of respondents rating it very important, while 26% rate themselves as not ready for it.
- Culture and engagement (86) - 72% of respondents rating it very important, while 24% rate themselves as not ready for it.
- Reinventing HR (81) - 62% of respondents rating is very important, while 24% rate themselves as not ready for it.
- Performance management (80) - 59% of respondents is very important, while 28% themselves as not ready for it.



The year ahead – becoming active and engaged

Figure 4: Plans to invest in HR in the next 12-18 months



36% of participants state that there will be a significant increase in investment in HR programmes and initiatives, thus we encourage you to read the full report at www.deloitte.com/hctrends2015 to learn more about leading in this fascinating and challenging new world of work. Dive in to a few chapters of particular concern to your firm or industry and also take time to reflect on the broader, longer-term trends that we examine. If they do not concern you now, they will in the future – and your competitors may already be working to address them.

One of the most important features of this report is an interactive tool, the Human Capital Trends Dashboard, available at www.deloitte.com/hcdashboard. This tool lets you access and analyse the research from the survey by industry, geography and company size, offering new insights into talent priorities and challenges in your region and the world.

In conclusion, these trends focus on the

- need to broaden, deepen and accelerate leadership development at all levels;
- build workforce capabilities;
- re-energise corporate learning by putting employees in charge; and
- Fixing performance management approach.

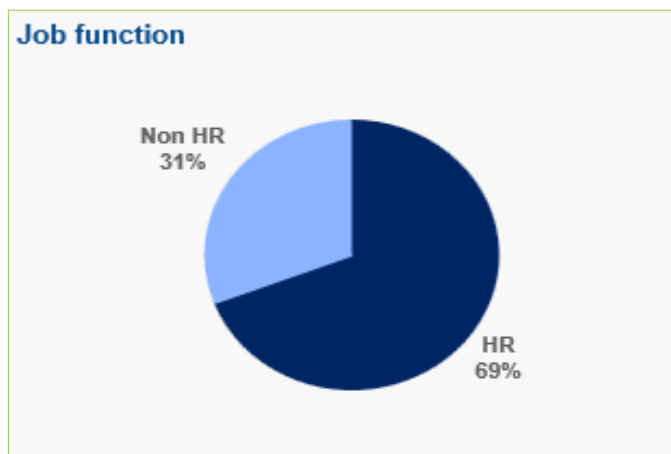
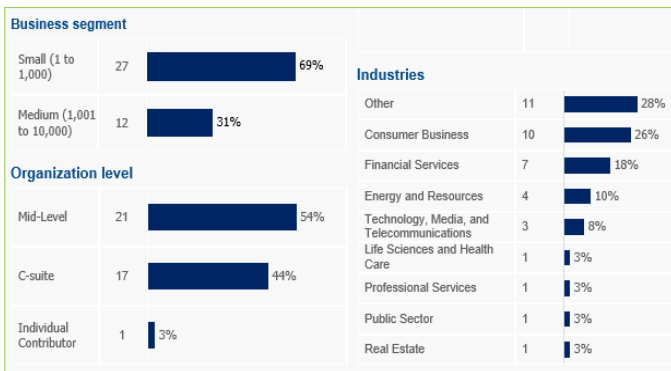
Thus compelling HR to evaluate itself in order to combat these trends.

Today companies have to manage people differently – creating an imperative to innovate, transform and reengineer human capital practices. Work as we know it is changing faster than ever and this survey reveals trends that assist with shaping the human capital agenda. One of the most important takeaways from this research is for us to understand what Namibian business and HR leaders deem as critical areas to focus resources, energy and effort in order to implement dramatic change in strategies for leadership, talent and HR. The overall goal of this research is to give insight and perspective to re-assess priorities that may have been set for the upcoming year and ensuring alignment thus giving you the opportunity to improve your human capital strategies.



Appendix: Survey demographics

The 39 Namibian executives participating in this year’s survey represented a broad diversity of Namibian business.



1Footnote: We asked respondents to rate each issue’s “importance” and their organisation’s “readiness” to address it on a four-point scale: “not important/ ready,” “somewhat important/ready,” “important/ ready,” and “very important/ready.” These ratings were then indexed on a 0–100 scale in which 0 represents the lowest possible degree of importance/readiness (“not important/ready”) and 100 represents the highest possible degree of importance/readiness (“very important/ready”). An overall index score was calculated for each trend using the respondents’ ratings of “importance” and “readiness.”



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