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Africa Newsletter

PwC Research Services

January 2016



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Africa initiatives 2016 and beyond

Information remains a scarce commodity on the African continent.

PwC continues to invest a significant amount of time and resources to obtain more research information to assist clients in their decision making process. In order to make our South African clients aware of these initiatives we will publish an information brochure bi-annually containing details of current and planned initiatives. If you have data requirements for specific countries in your industry sector please provide us with details such as the number of employees in each country as well as whether the payroll and benefits administration is managed in South Africa or in-country. This will assist us to focus on those countries where we are most likely to secure critical mass for research purposes.

Of course the success of any research is highly dependent on the quality of information and the collection methodology. In addition the number of participants in the research will also determine the usability of the information provided.

We trust that our collective investment will provide the much sought after information you require in 2016 and beyond.

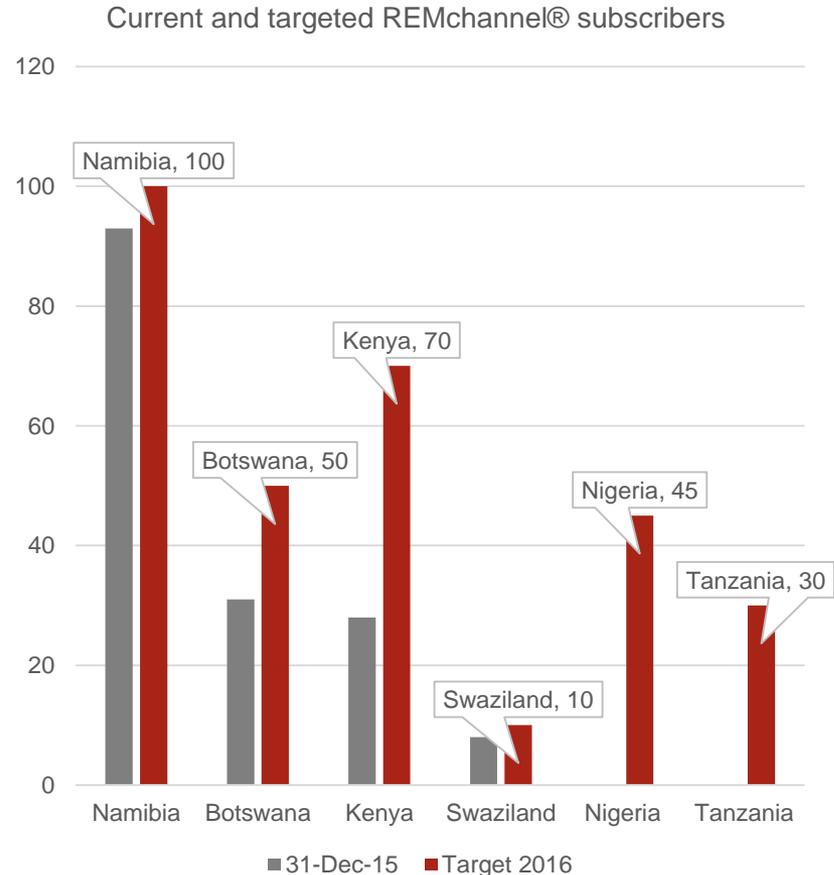
The PwC HRS team

January 2016

Expansion of REMchannel®

As we continue our vision of providing quality information based on the South African model we are rolling out REMchannel in select countries over the next 12 months.

The first country where we will be rolling out the REMchannel on line salary survey is Tanzania with an expected publication date of May 2016. We are endeavouring to secure a minimum of 40 participants to ensure that job and grade based information is available. Although a targeted approach is being followed we will assess opportunities based on the requirements of clients on an ongoing basis.





Predicted salary increases for 2016

Country	Basic Cash	Total Guaranteed Package
Botswana	6.20%	5.20%
Namibia	7.00%	6.40%
Swaziland	6.60%	6.30%
Kenya	8.20%	-

*Benefits Survey
South Africa and DRC already
published!*

Publication of benefits
surveys in Namibia,
Botswana, Tanzania,
Kenya and Cameroon.

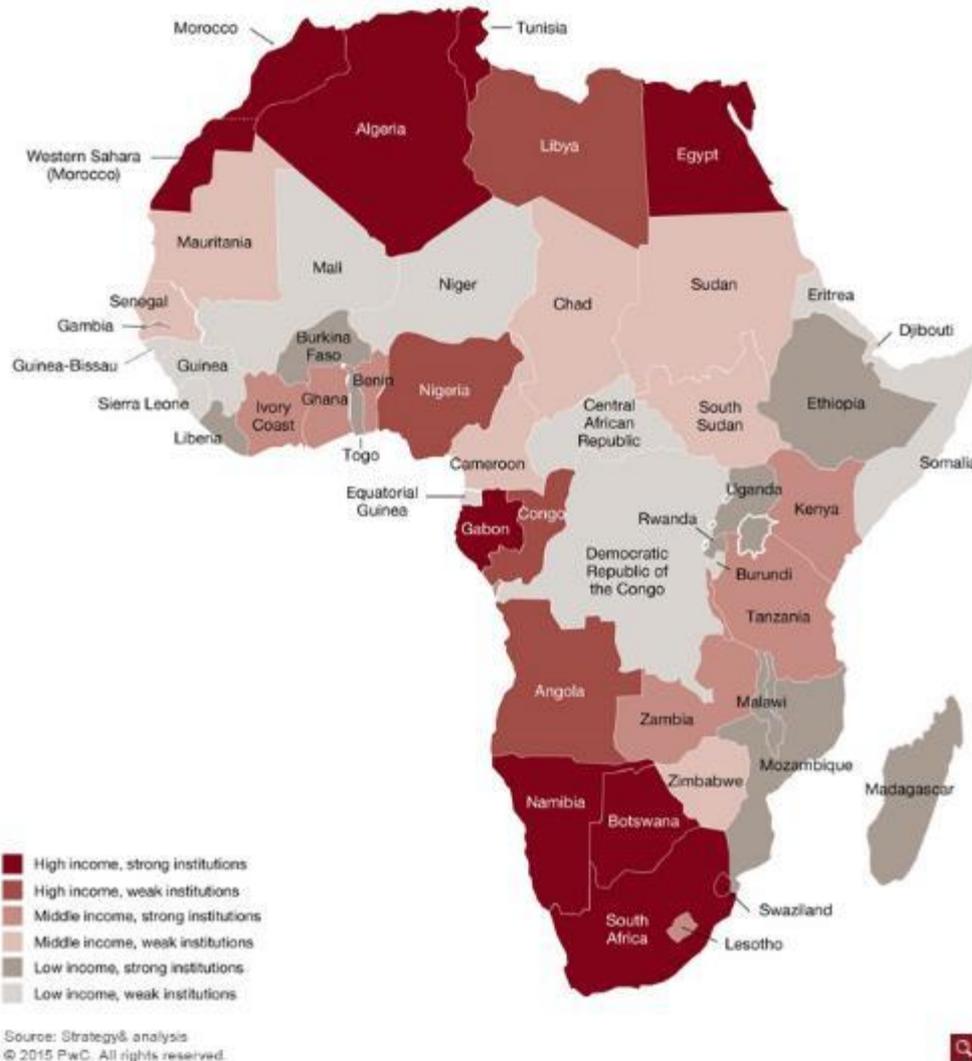
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2016



To read the article visit:

<http://www.strategyand.pwc.com/reports/creating-value-in-africa>



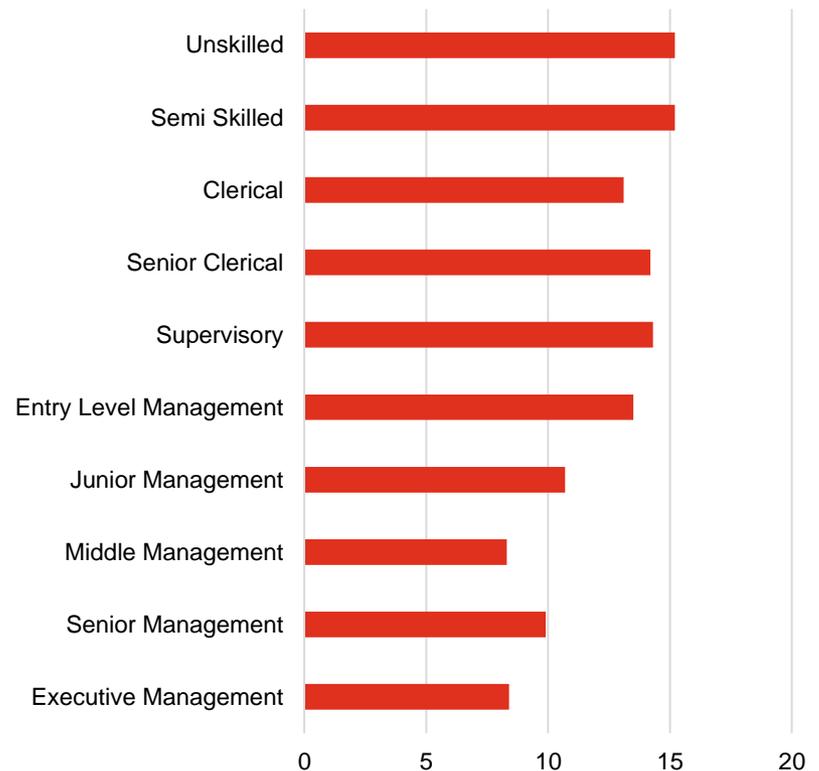
An analysis of the African continent by PwC's Strategy& shows the tremendous opportunities in Africa.

Trends: Namibia

Not surprisingly the majority of Namibian companies utilise the Paterson grading system. This is probably attributed to historical reasons as well as the fact that there are so many South African companies with a presence in Namibia. In terms of the actual increases granted it is also evident that organised labour has a major influence in determining actual increases granted at specifically the unskilled and semi skilled levels as can be seen from the graphical illustration provided. This represents more than 32 000 data points i.e. individual salaries in the survey. The majority of these workers can be classified as Technical or Support Services.

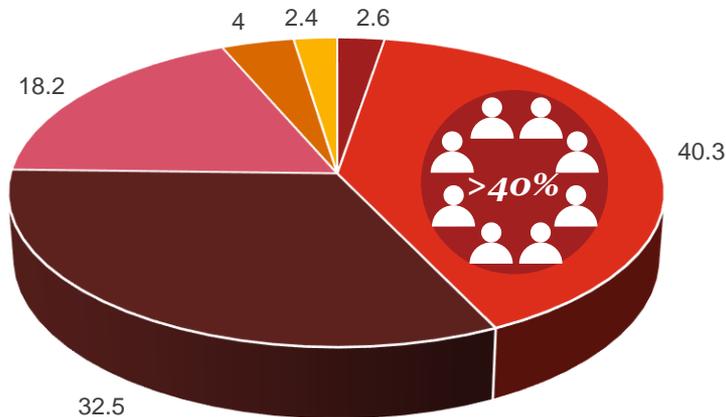
82% of general staff still receive a guaranteed bonus equivalent to a 13th cheque and approximately 49% of managerial and executive staff also still receive a guaranteed bonus. As in South Africa remuneration is managed on either a basic salary, flexible package or total guaranteed package structure. There also seems to be a trend of moving to a total guaranteed package structure at managerial and executive staff levels but this may be attributable to the presence of South African organisations in Namibia. The participant base comprises of organisations from all industry sectors and includes Financial Services, Retail, Mining, Services and Parastatals.

Namibian actual pay adjustments for the past 12 months



Trends: Botswana

Age categories of Botswana survey sample



■ Up to 25 ■ 26 to 35 ■ 36 to 45 ■ 46 to 55 ■ 56 to 60 ■ 61 and up

In the Botswana market both the Hay and Paterson job evaluation systems seem to be the most commonly utilised. Financial Services, Mining and Retail represents the majority of more than 11 000 data points.

Just over 22% of the sample is represented by Sales positions. Contrary to the remuneration management in South Africa and Namibia the majority of the Botswana participants manage remuneration on a basic salary basis across all employee categories. Only 30% of participants manage remuneration on a total guaranteed package base at executive level whilst only 14% manage pay on this basis for general staff.

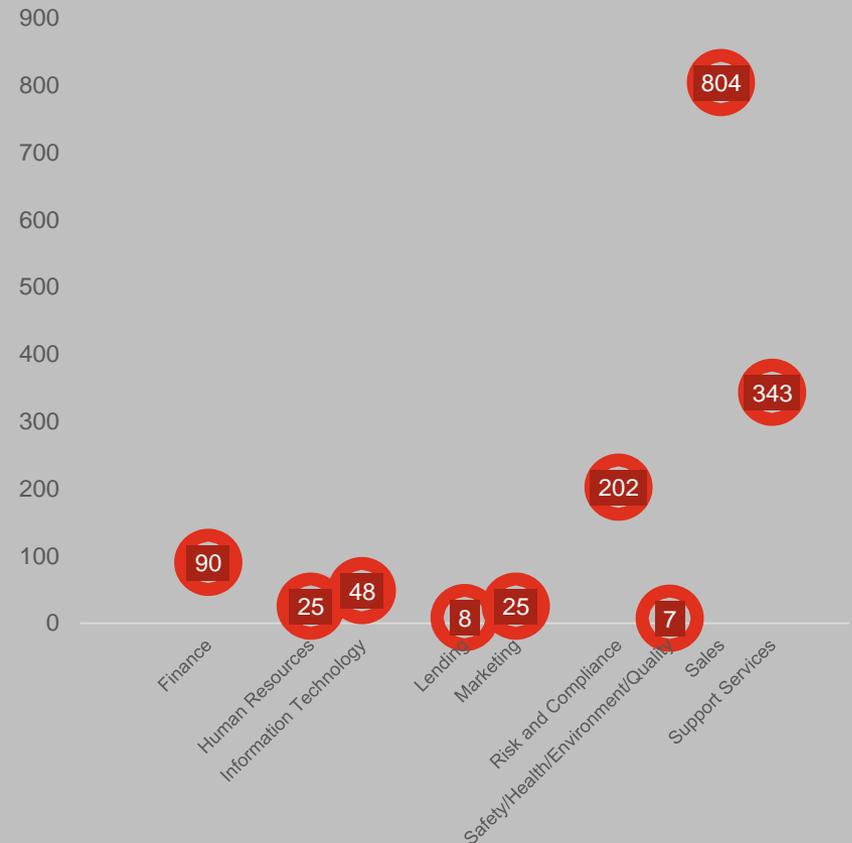
It is interesting to note that as in South Africa the majority of the incumbents in the survey are between 26 and 45 years of age with the 26 to 35 age category constituting 40% of the overall sample.

Increase trends almost mirror the South African and Namibian markets year on year.

Trends: Swaziland

The survey participants in Swaziland are mostly limited to financial services institutions.

The market is obviously much smaller but there is still sufficient data for most financial positions based on the 1500 data points in the database. What is interesting is that the majority of the incumbents are matched to sales positions and it is indicative of the competitive environment in which the financial services companies operate.



Trends: Kenya

The survey sample of more than 20 000 data points consists of both local and multinational companies. 91% of the incumbent data contained in the survey is currently working in Nairobi and the remaining 10% is represented by employees in Kisumu and Mombasa and other smaller regions in Kenya.

Salary increase percentages are marginally higher than what is being granted in South Africa. Contrary to the total package concept in Southern Africa all the participants grant salary increases on basic salary across all employee categories. 51% of the general staff surveyed received cash benefits in one form or another whilst 96% received non cash benefits such as medical aid and retirement funding. The detailed benefit survey to be conducted later this year will provide further insight into the employee benefit practices in Kenya. What is interesting is the fact that 62% of the general staff incumbents received an incentive bonus and the average quantum of the payment was 26% of total guaranteed package in the past 12 months.

The age representation in the survey is similar to Botswana which is a clear indication of the millennials entering the market place.

Package Structure	Previous 12 Months		Next 12 Months	
	Mean	Median	Mean	Median
Executives				
Basic Salary	7.9	8.0	8.6	8.0
Management				
Basic Salary	7.9	8.0	8.6	8.0
General staff				
Basic Salary	7.9	8.0	8.6	8.0
Unionised Staff				
Basic Salary	7.5	8.0	8.1	8.0

One Africa Data Portal

Welcome To Our Africa Portal

Africa Delivered

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Rapid urbanisation
Climate change and resource scarcity
Technological breakthroughs

Our Africa is a connected one.

And in a connected Africa, your business needs seamless service, 24-hours a day, wherever you are. You need relevant and current information to help make critical business decisions – immediately and with confidence.

You need support at your fingertips.

Which is why PwC Africa has created the Africa Portal, an online Africa information database and repository for the Tax Practices (including People & Organisation) across Africa. The Portal provides a single access point to customised country specific documents addressing key queries for immigration, individual tax, reward, labour law, payroll, VAT, corporate tax and international tax. The country documents are identical (same structure and content) to provide a consistent source of current validated information.

In addition to these defined areas, the Africa Portal also offers a knowledge centre with up-to-date PwC authored newsletters, publications and thought leadership of relevance to any one doing business in Africa. You can also contact a PwC specialist in the relevant tax specialism and country direct from the portal.

Subscription for the general country information and knowledge centre is free of charge. More detailed country information can be obtained on a paid subscription basis.

Africa Delivered. Connecting with you and connecting you to Africa.

January 2016

**Go-live
date
coming
soon**

A job evaluation training experience in Kenya:

author Christelle Brunette

It is Wednesday, 6pm and I just landed in Nairobi. I am greeted by a very friendly driver and clouds that look promising. Maybe I will experience some rain while I am here? Ombati, my driver, informed me that they did not have rain recently, even though it was overcast.

Needless to say, that night it felt like I slept under a waterfall. Lovely rain was pouring out of the sky and the whole of Thursday it was drizzling. No sunshine, but my heart was filled with joy and peace.

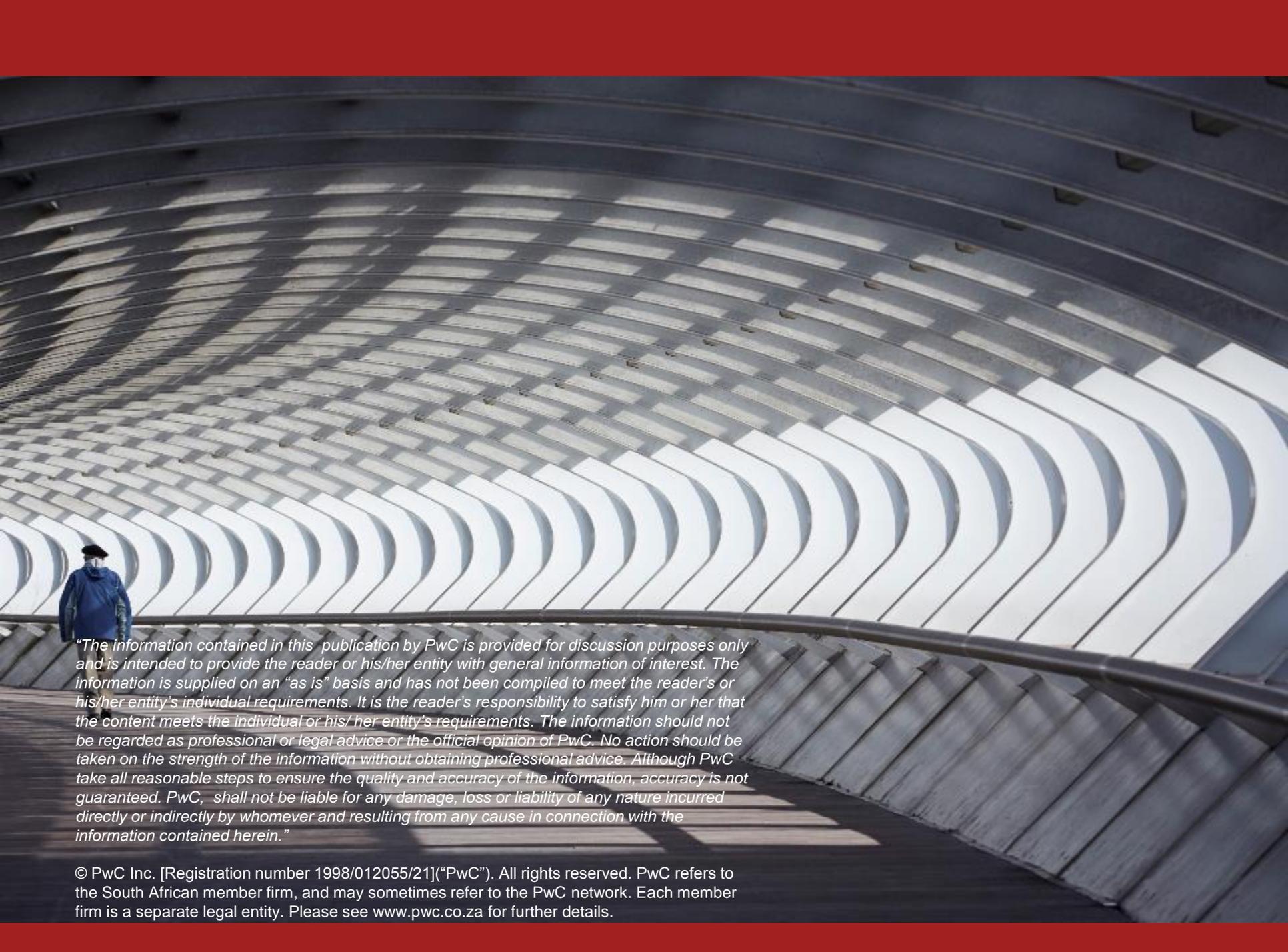
I arrived at the PwC Kenya office and was welcomed by Elizabeth from the Business School with her warm smile. The more Kenyans I met, the more smiles and warm hearts I saw. Slowly but surely all the delegates arrived and we were ready to get going. Seventeen delegates started introducing themselves and I realized that this training session will have a significant impact on their exposure to job evaluations and the importance of the role that they need to play in SRC and also in Kenya at large. One of the delegates, a statistician and economist, (let's just call him John), clearly stated that job evaluation is an exact science. Well, needless to say, I accepted the challenge and within 15 minutes he reconsidered his thinking. This became the "light humor" over the next 2 days, because everything we worked with clearly stated that job evaluation is everything except an exact science. The other "word" that they were taught on day 1 was consistency. Apply your knowledge consistently and you will be ensured of relativity of job worth in the organisation. As the day progressed the room filled with knowledge, passion and an eagerness to learn. Discussions were ample and knowledge sharing at the top of the list.

At last, after lunch, we all logged into the REMeasure system and started to explore. Their excitement was over powering and increased when they started to add jobs and evaluating the positions. They explored the product with enthusiasm and cries of joy and awe filled the room when the result of the evaluation was what they anticipated. Day 1 came to an end and everyone left the class room with a nervous excitement about the exams the following day.

Friday arrived, and everyone was on time. Some more exercises, and finally after lunch the big test. All of a sudden silence was making a lot of noise. You could hear them breathe and think. They were focused and determined to prove to themselves that they are the job evaluation experts I believed they were. As they finished with the assessments there was spontaneous exhaling of relief. Disbelief filled the room. Nobody left before all of them were done with the exams. We said our goodbyes and I was showered with gifts. Java coffee from Kenya and two masai wraps, a blue and a red one. What filled my heart the most was their warm words of thanks and gratitude. I felt like I was part of their family and they were part of mine. The most valuable lesson I learned was to have fun. Passion and enthusiasm is contagious and it opens a whole new world of trust, knowledge and confidence.

We departed close to 6pm on the Friday evening. On my way back to the hotel the passion of Kenya was evident in the streets of Nairobi. People everywhere, yes even in the streets. Happy people with happy hearts. And I smiled...





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