



Human Resources

Telecom Namibia operates in a fluid industry which continues to present challenges to the company in the area of human resources management. The main challenges experienced are in the area of skills development, reward and recognition as well as the continuous need to ensure that the company has at its disposal a committed, competent and motivated workforce.

This report summarises the key HR highlights for the year ended 30 September 2006

Staff Complement

The full-time staff complement of Telecom Namibia stood at 1 217 by the end of the financial year. In addition, 32 students were employed as Engineers-in-Training, Engineering Technicians-in-Training and IP Technicians-in-Training. These trainees are destined to qualify as Engineers and Technicians in the various converged telecommunication streams. Furthermore, 57 contract workers were employed on a defined period for short-term assignments. Thus the total number of employees stood at 1 306 as at 30 September 2006.

Employment Equity

In compliance with the Affirmative Action Act, Act 29 of 1998, Telecom Namibia submitted an AA Progress Report to the Employment Equity Commissioner, which was subsequently approved by the Commissioner.

Management identified women and persons with disabilities as underrepresented in the company. The company continued therefore to implement affirmative action measures and interventions to ensure that employees from the designated groups, especially at managerial levels, are represented.

Overall the representation of designated groups in Telecom Namibia stood at 89% of total workforce. The representation of women and persons with disabilities in the company remains poor especially in the converged Engineering and Information Technology fields. This is despite Telecom Namibia's continued efforts to grant bursaries and financial assistance to women to study in the stated fields of employment. On a positive side, women constitute 38 per cent of all current Telecom Namibia bursary holders and are significantly represented in non-technical work functions in the company.

In addition, 94 per cent of employees recruited were from the designated groups, 25 per cent of which are females. Employees from the designated groups accounted for 94 per cent of all internal promotions and females accounted for 29 per cent.

Recruitment & Promotions

A total of 36 permanent employees were recruited and 35 employees were internally promoted resulting in total placement of 71 employees. During the year, the company experienced problems of not being able to recruit and place suitably qualified persons as the Namibian labour market has an acute shortage of suitably trained and qualified persons in the fields of Telecommunication, Electronic Engineering, Information Technology and Internet Protocol.

During the period under review, the recruitment and selection assessment tools which seek to streamline the resourcing and selection of human capital, assess the potential and identify future leaders and enable the business to attract and retain the best talent has been introduced.

Employee Separation

During the period under review a total of 50 permanent employees terminated their employment with the company, which constitute a turnover rate of five per cent.

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Transcending language, across culture, around the globe we share one hope, one future - one world.



Termination Categories	Numbers	As % of total workforce, 2006 = 1217 (Turnover rate)	As % of total employee separation
Resignations	33	2.71%	66%
Ill-health retirement	2	0.16%	4%
Normal retirement	3	0.25%	6%
Deaths	9	0.74%	18%
Dismissals	5	0.41%	10%
Total	50		

The staff turnover in Telecom Namibia is concentrated at the skilled and specialised technical level where skills are generally not available from the market.

Remuneration

An important milestone in the area of employee remuneration was the approval by Board of a Remuneration Philosophy. The Remuneration Philosophy now constitutes a strategic document providing much needed direction in the options we add on to compensation with respect to policies and procedures as well as operating standards that we set for the business.

The company participated in the PE-Survey in addition to a new survey on Government Parastatal organisations. A comparison of our total cost of employment against other companies in Namibia shows that our remuneration levels are competitive.

Staff Retention Strategies

With the coming on board of other players in the information and communication business Telecom Namibia has had to contend with the competition for scarce technical skills and being the target for poaching.

Thanks to the robustness of our remuneration structure the business ostensibly has the scope to retain the much needed skills particularly where the employees’ performance and strategic value in respect to projects, key processes, customer service or indeed general maintenance is of key importance.

A series of retention measures were approved for implementation thus enabling the business to move to stem a growing tide of exit of skills. The lesson learnt among others is that while an initial allocation to retain technical skills to specialist adjustments saved us all, be it for a short while, it was still necessary for Telecom Namibia to adopt further measures in order to retain key staff in the face of determined competition for talent and custom share on the local market.

Employees of Telecom Namibia lined up to deliver services to customers.



Sales Commission

For the first time a sales commission scheme was implemented exclusively for all Sales Representative designated employees. The implementation of the scheme positively impacted on the company’s revenue, resulting in the business plan to additionally introduce a sales incentive scheme targeting employees involved in a measure of sales in Tele-shops. This additional scheme will pick-back on the Sales Representative Scheme with an accent on the sales portion. Implementation is expected in the first quarter of the new financial year.

Performance Management

In order to realise the full benefits of our robust Performance Management System, a training programme was formulated to endow Line Management with the necessary competencies to work with and manage the system in terms of its designed construct. Training started in 2006 and will continue for completion during the first quarter of the new financial year.

At organisational level the Balance Scorecard, which is the business performance system, was the focus to ensure alignment at business level, division level and department level. With few exceptions the majority of divisions now have operational Balance Scorecard at up to Level Three. However the automation on Hyperion has continued to elude the business with the latest hurdle being the need to ensure synchronisation with SAP and the accurate reflection of the organisational structure for the system to be fully operational. The realisation of the full benefits of the investment in Hyperion remains a challenge in the new financial year.

Short-Term Incentive Scheme

For some time now the current construct of funding for employee annual performance-based bonuses has been of concern. The review process was undertaken resulting in the adoption of a company performance-based model which provides for the level of bonus funding being aligned to business performance. This scheme has found favour and approval at all levels of management.

Succession Planning

Succession Planning and Talent Management after several benchmark visits has now found its place in our governance framework in the form of a policy. Top Management approved this policy and the Divisional General Managers have to date recommended specific positions to be targeted for Succession Planning.

Rural Attraction and Retention Incentive

During the course of the year the much awaited Attraction and Retention Rural Incentive Policy was implemented in order to try and ensure that the business is able to retain skills in rural areas which have tended to drift into urban areas from key stations in remote and rural locations.

Promotions/Career Paths/Multi-skilling

Top Management also gave their approval to the Promotion Policy which incorporates significant parameters for both employee growth and employee retention. During the course of the year work also started on a governance framework on Career Paths and Multi-skilling in the inception stage focusing on Telecom Electricians and Fitter/Faults men. Management gave their input into this key governance instrument and plans to have multi-skilling training during 2007.

Total Remuneration Package

In line with best practice, a total package remuneration approach was implemented during the year for all managerial employees. Consultations are currently underway with the Union stakeholders to extend the approach to the bargaining unit.

Employee Relations

Telecom Namibia firmly believes in the power of esprit de corps and thus provides its employees with congenial atmosphere to work as a cohesive team. The efforts of all the employees are synchronised and coordinated towards achieving common objectives. Further, all employees are encouraged to participate in the decision making process. During the year 2005-06 the employee management relations remained cordial.