

Investigating a Living Wage in Namibia: a Qualitative Study

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Abstract

The paper investigated the extent to which employees perceive their income as a living wage that enables them to live a decent life in Namibia. This study was influenced by Sen's capability and Carr et al's living wage frameworks, showing that it approached living wage from an economic and psychological lens. The study was qualitative, and it was influenced by interpretivism. The participants were conveniently selected and interviewed outside the Mall of Namibia in Windhoek. The data were thematically analysed. The main findings were that employees who earned below N\$4000 could not afford to make ends meet, while those who earned N\$10 001 and above monthly could live decent lives. It was also found that salaries can be market-related, but that the cost of living and family arrangements make it difficult for employees to cope, irrespective of their wage levels. This study has implications for managers, policymakers and human resources practitioners, in that paying low wages traps employees in poverty, and such wages adversely affect organisational justice and employee well-being (i.e., happiness and job satisfaction).

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1. Introduction

1.1. Background

In the current times of economic downturn and recession, there is a need for organisations to balance the needs of the employee and the going concern of the business. Management practices also influence the human and social environment (Kaur & Sharma, 2019). Decisions made by employers regarding their remuneration practices in low-skilled occupations influence the socio-economic status of such employees (health and well-being). It is vital for human resources (HR) to provide a decent wage, as it influences significant industrial psychology variables (Maleka, Mpofu, Hlatywayo, Meyer, Carr & Parker, 2019). In some instances, most nations are bound by the legal framework to provide decent stipends, e.g. minimum wage. Such frameworks serve as a guide for social sustainability and organisational effectiveness. To ensure a sound relationship between unions and organisations, legal frameworks guide decent wages. Industrial action can be a result of employers reducing their production costs. However, a living wage has been theoretically proven to aid in reducing poverty (Carr, Maleka, Meyer, Barry, Haar & Parker, 2018). Living wages advocate for workers' higher standard of living when organisations are trying to reduce production costs. In the prevailing environment of skills shortage and employer competition, employee turnover remains a thorny issue for HR practitioners.

For employers to ensure that decent work is done by employees, they must pay decent wages (Anker & Anker, 2017). Research on the living wage is essential for developing nations due to the socio-economic history of wage discrimination. Furthermore, redressing the imbalance of the past remains a critical area for HR. Employees cannot flourish and be happy when they are living in poverty. Therefore, remuneration must be sufficient to support the wage earner in reasonable and frugal comfort (Mohamed-Padayachee, 2017). Within this study's orientation, it is deemed essential to explore the experiences of Namibian employees.

Jauch (2015) confirms that, like most African countries, deep socio-economic inequalities created by the previous dispensation still prevail in Namibian economic structures post-independence. Despite widespread recognition of the need for a living wage, acceptance is more often in principle than in practice. Studies such as this one inform not only policymakers but organisations as well. Werner and Lim (2016) affirm that even though the living wage is essential, there is criticism of the slow pace at which attention is devoted to the living wage principle. Historically, the Africans in Namibia were deprived of access to career progression and were confined to wage labour at the most basic levels (Jauch, 2015).

Carr et al. (2018) advise that a wage becomes a living wage once it has passed a certain threshold. Interpretivism is critical for policymakers because it captures the lived experiences of employees and adds to their neglected voice. As the drive towards an equitable society grows, the voice of participants sheds light on what is happening on the ground. Most employers are known for not abiding by the

prescribed wages determined by the respective sectors. In addition, organisations in developing countries are questioned on whether they pay a living wage. Marenga and Amupanda (2021) criticise the Labour Act of Namibia for its failure to prescribe minimum wages. Thus, capturing the voice of employees in this study will justify the need for a living wage in Namibia.

1.2. Problem statement

The problem this study seeks to address is a living wage in Namibia. Participants' lived experience according to gender, industry, age, tenure, education and economic sector are critical to understand as they have an impact of how employees perceive their income as an income as a living that will empower them to live a decent life or not. In addition, participants' perceptions will assist to create a living wage framework that can be used by policy makers in Namibia. Millward-Sadler (2022) note that Namibia has meagre labour costs. Arguably, Namibia is a low skills economy. Namibia is characterised by high levels of inequality, poverty, and youth unemployment, the latter of which is at a staggering 41.17% (Statista, 2020), and these figures are increasing. Marenga and Amupanda (2021) sum up the environment by declaring that thousands of Namibians live in squalor, thus making Namibia one of the most unequal nations. This necessitates a living wage, as the minimum wage currently stands at N\$17.84 per hour (Economist Namibia, 2022), which translates into N\$2 854.40, as of November 2022. Marenga and Amupanda (2021) acknowledge that despite increments in minimum wages, such increases are insufficient to constitute a living wage which can enhance the quality of life. Khern-amnuai, Kannan, and Ghasemkhani (2018) add that such paltry living wages are insufficient to improve the conditions of the poor working class.

Research question: To what extent do employees perceive their income as a living wage in Namibia?

1.3. Objectives

To address this question, the study had the following objectives:

- To explain how wage levels enhance employee capability; and
- To explain how wage levels enhance employees' well-being.

2. Literature review

The purpose of the study was to learn how workers in Namibia view their pay as a living wage. Workers' right to a decent wage has long been contested, both inside and outside of the trade union movement (Sellers, 2017). The concept of a living wage enhances people's wellbeing and may even have positive effects on society as a whole in addition to covering the financial cost of living (ILO, 2016). The ILO (2016) contextualises all these terms as "decent work": work which provides a fair income, dignity, equality and a safe working environment. In contrast, the benefits of living wages to employers remain

largely uncharted, leaving most employers unconvinced about the economic utility of increasing wages to living wage standards (GLOW/SIOP, 2016).

The term "living wage" refers to any pay value level at which stable lifestyles are feasible (Carr et al., 2018). This may be partially attributed to the rise in unregulated employment, a lack of public awareness, and lax enforcement of wage rules (Smith, 2015). By nature, each of these would avoid legislative safeguards like the minimum wage. The fact that minimum wage rates do not keep up with rising living expenses and the reality of insecure labour, however, is also a contributing factor to the gap in the formal sector (Favager et al., 2017). On the opposite end of the scale, living wage campaigns are an indication of how popular the concept of a living wage has become. Such campaigns establish pay levels that are both (1) greater than minimum wage rates and (2) based on assessments of the material necessities for a fictitious household unit's cost of living (Anker & Anker, 2017). This commercialization of the living wage, however, misses the fact that the idea of a living wage in its broadest sense encompasses much more (Carr et al., 2018) integrating aspects like the cost of living, human quality of life (Stuart et al., 2017), reciprocity and justice (DiFabio & Maree, 2016; Morelli & Seaman, 2015).

2.1. Theoretical frameworks for the living wage

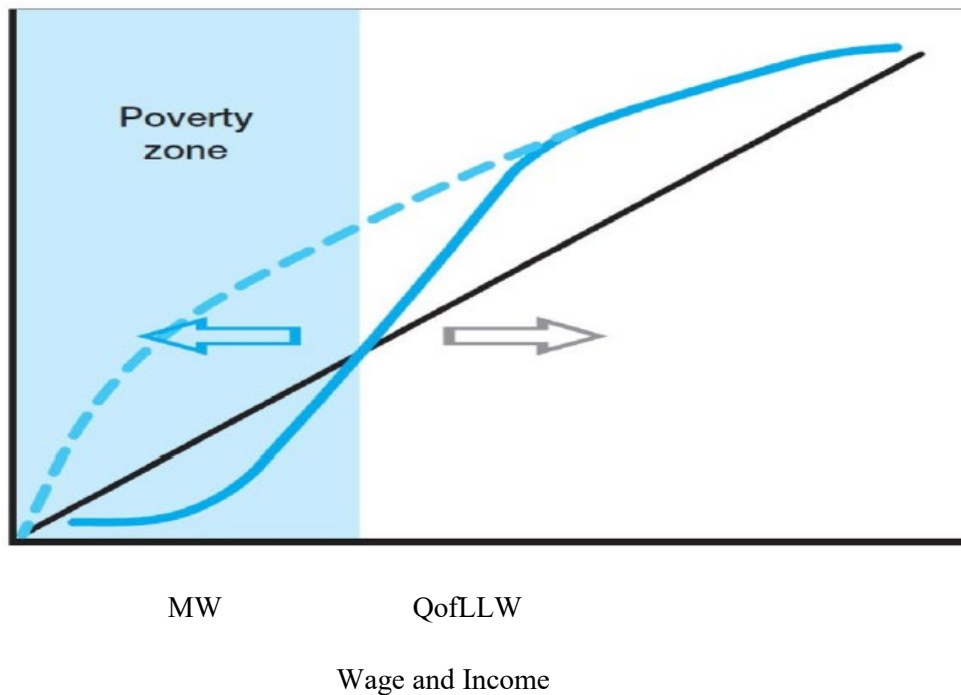
The study is grounded in two theoretical frameworks; Amartya Sen's (1974; 1979a; 1979b) capability framework and Carr's (2018) living wage framework.

2.1.1. Amartya Sen's capability theory

Amartya Sen's (1974; 1979a; 1979b) capability theory is economic in its approach and it states that income enhance employees capabilities. When incomes are high employees would be able to have freedoms to choose and afford a decent life. Absolute freedom means that one has all the required means necessary to achieve that doing or being if one wishes to. This shows that their well-being will be improved. Conversely employees who earned lower income, would be trapped in poverty, and their quality of life would be on downward spiral (Sen, 199, 01999). Furthermore, such income would not empower them to improve life for themselves and their immediate families (Carr et al., 2016a).

2.1.2. Carr's (2018) living wage framework

Whereas was Sen's was from an economic lens, Carr et al.'s (2018) living wage framework followed a psychological approach and is shown Figure 1. The black solid line, suggest the relationship between a salary is linear and it enhance well-being indicators like happiness and job satisfaction (Fisher, 2010).



Note: MW=Legal Minimum Wage; CoLW=Cost-of-LW; QoLLW=Quality-of-Life-Living-Wage

Figure 1: Living wage framework
Source: Carr et al. (2018)

Alternatively, the relationship between a living wage and well-being indicators follows an S-shape, which is shown in the framework as a blue solid line. Carr et al. (2018), established this S-shape using poverty trap theory. This theory states employees who earned below a predicted living wage will be trapped below or on the proverbial waterline (\approx). Some of them embark on activities like acquiring unsecured loans that where they are charged exorbitant interest rates (Maleka, 2017). One of wages that traps employees in poverty is minimum wage, which is legislated in South Africa and Namibia.

According to this theory, it is only above (and never below) a certain wage threshold that people will earn enough to start to thrive. This is in line with Sen's notion of capability discussed earlier. In Carr et al (2018) framework, instead of referring to capability, it argued that employees who earn above the threshold or above the proverbial waterline (\approx), such employees would be engaged, committed and satisfied. These psychological well-being indicators are associated productivity and less counter-productive activities like live abuse and turnover (Carr et al., 2016a; Yao et al., 2017).

A third, directly competing theory has different wage implications (dotted line in Figure. 1) also known in psychology (where it originated) as just noticeable differences (JNDs), implies that any increment in wages enables thriving, especially at lower levels (Carr et al., 2018). From JNN vantage point, any job, no matter how poorly paid, especially at lower pay levels, is better than none. This theory seems to suggest that minimum wages (MW on the x-axis) and wages below it are ensuring that employees can create more jobs. Approach of determining a minimum wage has been impugned from using cost-of-

living wages (CoLW, on the x-axis) without directly approaching employees themselves to solicit information that which wage amount will empower them to live QoLLW (on the x-axis) (Carr et al., 2018).

2.1.3. Employee well-being

Employee well-being outlines the physical, social, psychological and emotional health, comfort and happiness of employees (Pradhan & Hati, 2022), emotional well-being consists of positive affect, negative affect and job satisfaction; psychological well-being consists of autonomy, competence, relatedness, learning, meaning and purpose, and engagement while social well-being consists of social acceptance, social growth, social contribution, social coherence and social integration (Van Rensburg, Rothmann, & Diedericks, 2017).

Job satisfaction is characterised by employees' experiences in their work environments (Taheri, Miah, & Kamaruzzaman, 2020) the kind of leadership within their workspaces (Hoff, Song, Wee, Phan, & Rounds, 2020), and relationship with their colleagues (De Sousa Sabbagha, Ledimo, & Martins, 2018). Positive emotions can be defined as mood dimensions consisting of excitement, self-assurance, and cheerfulness at the high end, and boredom, sluggishness, and fatigue at the low end (Schneider, Zaval, & Markowitz, 2021). Emotions can be classified as negative (i.e. rage, fear, frustration, and sadness) and positive (happiness, pleasure, pride, and enthusiasm) (Sels, Tran, Greenaway, Verhofstadt, & Kalokerinos, 2021). This definition is psychological, and it is not in line with Sen's (1990) notion of capability, which gives employees freedom to afford quality health and pay good quality of education for their children. From Sen's economic vantage, an income improves once well-being because it gives them purchasing power and empowers them to live a dignified life.

2.1.4. Economic conditions and labour market wages

The earnings in the labour market is significantly influenced by a nation's economic situation. The Namibia Statistics Agency (2018) outlines that Namibia bought products worth \$7.4 billion and exported goods worth N\$464 million to South Africa in 2018. The economic situation in Namibia has changed throughout time. Although the Namibian economy has been contracting (South African Development Community (2017) report), the country's GDP per capita fell from N\$5 766 in 2013 to N\$5 596 in 2017, amid all this gloom employers should still make an effort to provide fair benefits (Maleka et al., 2019).

The unemployment rate of Namibia in 2018 was 34% (The Namibia Labour Force Survey, 2018), the unemployment rate adversely impacts on the economic conditions and labour market. Macro-economic factors also impact on employees' state of well-being (Carr et al., 2018), it is in this light that institutions and countries should cater and make provisions for improved macroeconomic conditions like job

security and paying decent wages which might impact positively on their sense of well-being (Maleka et al., 2019).

In summary, it can be opined that choosing Carr et al.'s (2018) and Sen's (1974) as appropriate theoretical frameworks, the authors' approach of the living wage is both economic and psychological. The methodology followed in this study is discussed in the next section.

3. Methodology

3.1. Approach, paradigm, and design

The research approach of this study was qualitative. In qualitative research, researchers ask questions about how and why the research is being conducted (Creswell & Creswell, 2018). It can be argued that the interpretivism paradigm influenced this study because it sought to gain insights by soliciting employees' lived experiences, and to develop a deeper understanding of the research topic (Saunders, Lewis & Thornhill, 2019), which focused on a living wage. The research design was cross-sectional since the study was only conducted at a single interval (Zikmund, Babin, Carr & Griffin, 2013), and it was also descriptive because it focused on employees' perceptions of the living wage in Namibia.

3.2. Population and sampling

When this study was conducted in 2018, the employee population in Windhoek was estimated to be 89,255 (Namibia National Agency, 2019). Two-hundred and twelve (n=211) employees were conveniently selected. This sample size is more significant than the 5 to 24 range suggested by Saunders et al. (2019) because it was part of the living wage project, which required researchers to collect a sample of 200 participants (Maleka et al., 2019). The data showed that most participants (121 out of 200) were female. The majority (73 out of 200) were in the age group of 25 to 34, and 44 out of 200 had a tenure of 4 to 5 years. In addition, the data showed that 152 out of 200 participants were employed on a permanent basis, and 49 out of 200 were from the finance, real estate, and business services industry.

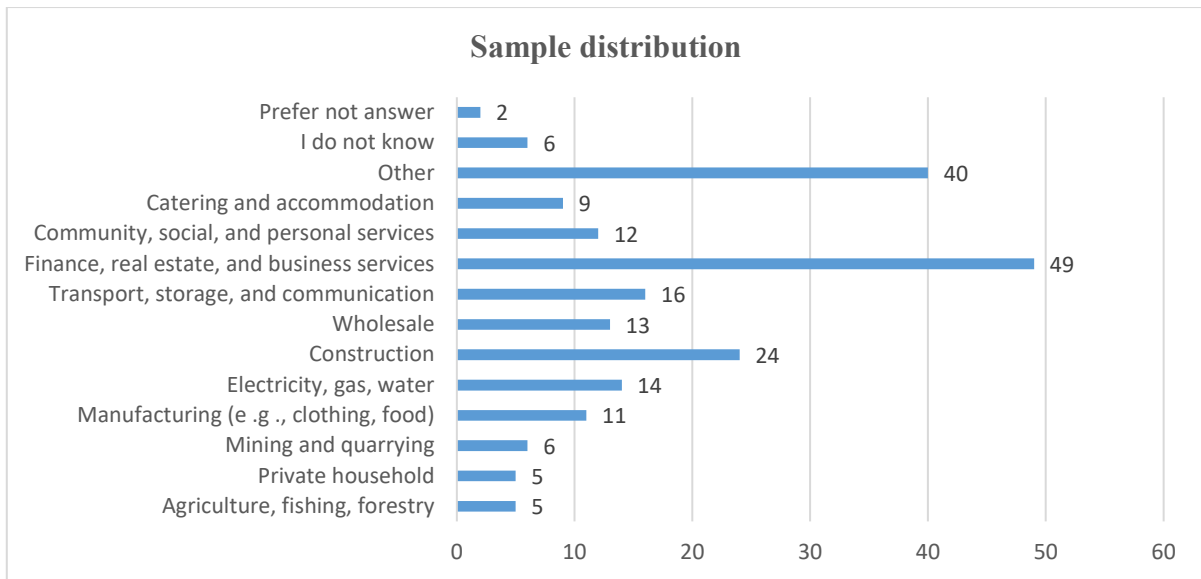


Figure 1: Distribution per sector
Source: Authors' own construction

3.3 Data collection

Data were collected at the Mall in Windhoek, where the researcher who collected the data approached employees and visitors who were either employed or self-employed. A questionnaire was administered by one of the authors' in Namibia and his research assistant. A questionnaire is a data collection instrument comprising closed and open-ended questions (Maree, 2016). The participants were either interviewed or asked to answer the question on the questionnaire itself. The open-ended question that the participants were asked was as follows:

- How well does your wage work for you? Please feel free to share your stories or make comments.

In addition, secondary data was used in this study. It comprised cost of living data and estimated living averages, which were obtained from the Namibian Statistics Agency.

3.4. Data analysis

The biographical data were analysed using descriptive statistics that were imported into Microsoft Excel. The frequencies are described in the sampling section. To determine monthly averages, the mean was calculated. To determine the income that had the highest frequencies on the data, a mode was calculated, and in establishing the median, a box plot was generated (Field, 2018). A box plot is defined as a diagram that shows the dataset's minimum, median and maximum numbers. It also shows the interquartile range, which is about misusing the highest or 75th quartile by the lowest quartile or 25th percentile (McKinney, 2018).

The researchers used thematic analysis to develop themes using a deductive approach. The themes were generated based on previous living studies that found that employees earning below N\$4000 were dissatisfied, those who earned between N\$4001 and N\$10000 were moderately satisfied, and those who earned N\$10001 and above had high levels of well-being (i.e. satisfied and happy) (Carr et al., 2018; Maleka, 2016).

The following Denzin and Lincoln (2018) strategies were used to enhance data rigour:

- **Quasi-statistics:** descriptive statistics were calculated to determine the mean, mode, and medians. In addition, frequencies were used to determine the sample distribution.
- **Concordance:** the study findings were compared with previous literature in the discussion section.
- **Audit trail:** the researchers are willing to make the data available so that scholars can validate the accuracy of the data.
- **Peer review:** before submitting the manuscript for review by the IBC, it was submitted to a remuneration expert to review it.
- **Member checking:** since this study was conducted at the Mall and participants were asked for their contact details, it was impossible to track them in order to ensure that the interpretation of the results succinctly captured their views.
- **Triangulation:** the researchers combined primary data with data from Numbeo, National Statistics Agency and the Wage indicator. The purpose of triangulating the data was to give credibility to the study findings and to provide a clearer and more comprehensive picture of the research topic.

3.5. Ethical considerations

Ethics in research concerns the moral way in which the study is conducted following certain principles (Creswell & Creswell, 2018). One of the principles that the researchers adhered to was to get ethical clearance, which was provided by the University of Cape Town (REC 2018/002/018). During the data collection phase, anonymity and confidentiality were ensured by not coercing participants to reveal their identities and any information that could be linked to them. Furthermore, the principle of voluntarism was adhered to by informing participants that they were not compelled to answer the question (refer to section 1.2.3), and they could withdraw from the study if they felt uncomfortable. In addition, the participants were informed about the purpose of the study, which was to investigate the extent to which employees perceived their income as a living wage in Namibia, and they were requested to complete the informed consent form.

4. Findings and results

This section is categorised according to average distributions and themes. The data in Table 1 show that overall males earn lower than their female's counter-parts. It was only from 4-5 years and 6 years above where males earned more than the females.

Table 1: Gender, tenure and monthly income

Female	Monthly income	Male	Monthly income
0 - 3 months	N\$11 887	0 - 3 months	N\$4 750
2 - 3 years	N\$14 430	2 - 3 years	N\$8 200
4 - 5 years	N\$13 572	4 - 5 years	N\$15 990
4 months - 1 year	N\$16 469	4 months - 1 year	N\$15 142
6 years and above	N\$9 450	6 years and above	N\$17 535

Source: Authors' own construction

The data in Table 2 showed that younger employees (18-24 years) earned lower than elder employees (45-54 years).

Table 2: Age and monthly income

Age	Monthly income
18 -24 years	N\$13 014
25-34 years	N\$14 254
35-44 years	N\$15 854
45-54 years	N\$23 000

Source: Authors' own construction

The data in Table 3 show that, on average, females who were hired on a part-time basis earned lesser wages than males. However, in the case of those who were hired on a full-time basis, on average, males earned lesser wages than females.

Table 3: Employee status, education level and monthly income

Full-time	Monthly income
Female	N\$14 405
Male	N\$13 614
Part-time	
Female	N\$15 119
Male	N\$18 208

Source: Authors' own construction

The monthly income distribution is shown in Table 4 and Figure 2. It can be observed that the lowest paid employee earned N\$1000 and the highest paid employee earned N\$48 000. The latter was self-employed and not employed by an organisation. This participant was classified as a part-time worker.

The wages of this participant caused the average of part-time earnings to be higher than those of full-time employees. Since the Skewness and Kurtosis are less than 1, the data show that monthly income is normally distributed. The mode was calculated as N\$16 000.

Table 4: Descriptive statistics on monthly income

Mean	N\$14778
Standard Error	N\$784
Median	N\$14000
Mode	N\$16000
Standard Deviation	N\$9383
Sample Variance	88047377
Kurtosis	0,93
Skewness	0,89
Range	N\$47000
Minimum	N\$1000
Maximum	N\$48000

Source: Authors' own construction

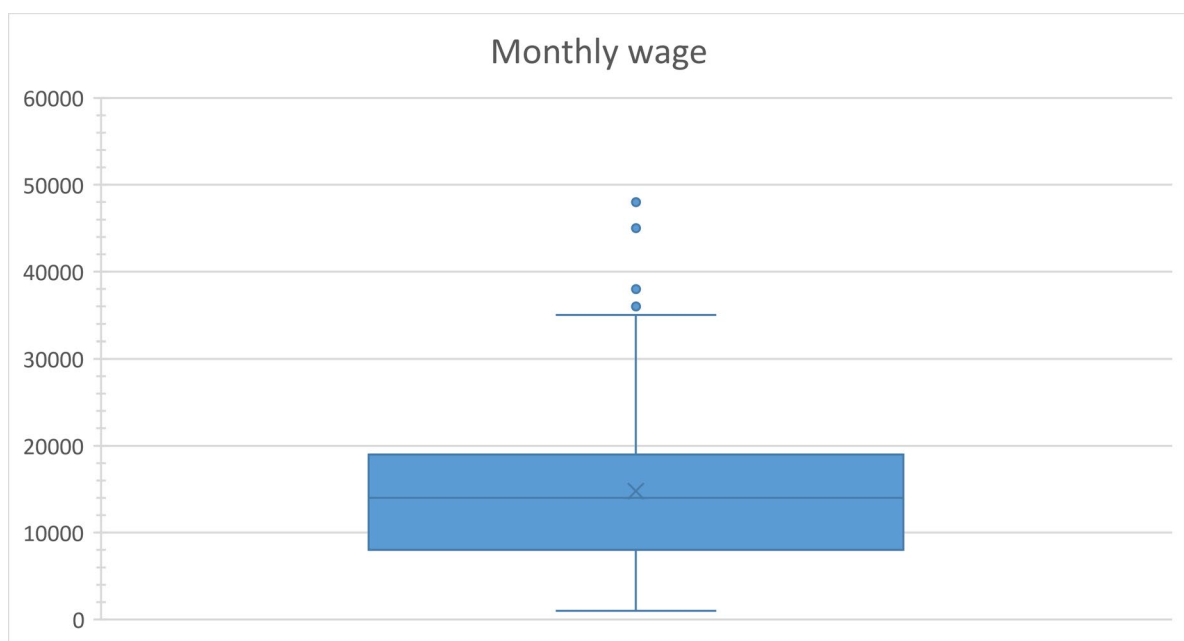


Figure 2: Box plot of monthly income

Source: Authors' own construction

The predicted living wage indicator is shown in Figure 3. It is slightly different from Carr et al.'s (2018) predicted living wage in South Africa. The living wage in Namibia ranged from N\$4000 to N\$16 000.

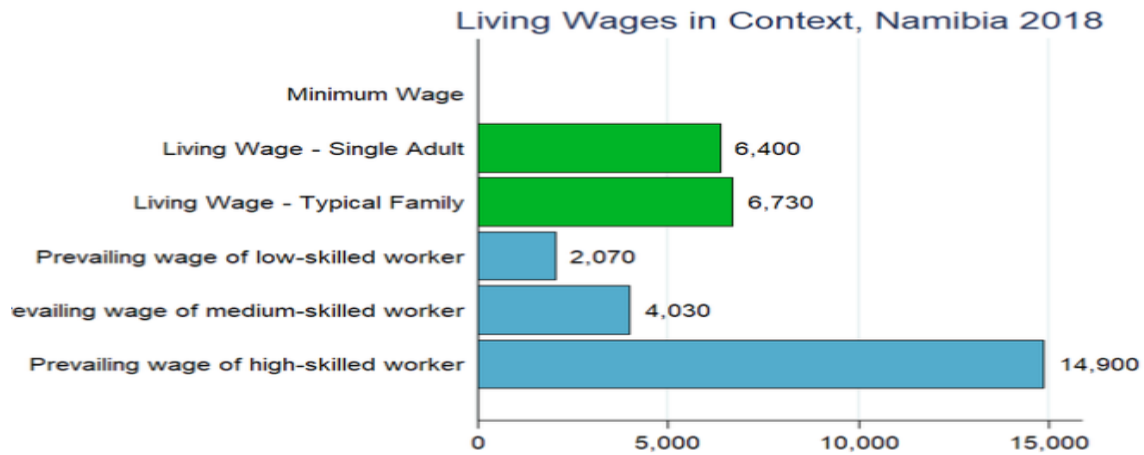


Figure 3: Living wage in Namibia
Source: Wage Indicator (2018)

The themes that emerged from the discussion in this section are wages of N\$4000 and below, wages between N\$4000 and N\$10000, wages of N\$10 001 and above, and well-being.

4.1 Wages of N\$4000 and below

Earlier in this paper, it was opined that, according to Sen (1991), lower income diminishes the capabilities or freedoms to live a decent life. One of the participants, who earned N\$3800 a month, responded by saying, "Money is not enough to pay school fees and buy food." Another participant, who earned N\$2800, said, "No, my pay is not good. I don't feel good; it's just that I do not have another choice but to work as I am the breadwinner." These responses show that lower income diminishes capability and affects an employee's well-being. The second participant stated that "I don't feel good." The participant who earned N\$1269 added an organisational justice dimension by stating that it is "not fair at all."

Another participant, who earned N\$2700, mentioned that despite the insufficient pay, it was used to pay "black tax." Fongwa (2019) opined that black tax is money that the employee shares with either ageing parents or siblings who are not employed and have no other source of income. The response from another participant, who earned N4000, was as follows, "less, unable to qualify for a proper house because of fewer funds allocated for housing", and another participant who earned the same wage stated that with it, she was able to put "bread on the table" and it "is better than nothing." Another participant, who also earned N\$4000, stated that, "You need 2 jobs to survive in Windhoek."

4.2 Wages between N\$4001 and N\$10000

Responses from employees who earned wages in this range were mixed. Some indicated that it enhanced their ability to live decent lives, while others did not. One of the participants, who earned N\$6000, mentioned that with this wage, she could pay "for my studies and support my families and even my bills." Another participant who earned the same amount responded, "My wage enables me to pay rent and buy toiletries."

Some participants referred to the job worth hierarchy, which is how much a job is worth after it has been evaluated, and it provides a basis for grading and pricing jobs according to competency and qualification (WorldatWork, 2017). Some of the participants, who earned N\$8000, responded by saying, "The wage is reasonable; I am paid what I believe I am worth." Employers need to pay more in relation to our qualifications." In the hopes of being graded higher and obtaining a higher salary, a participant who earned N\$9500 mentioned that "I am upgrading my qualification. Namibia is tough." When evaluating competency and how the salary was priced at N\$10 000, one participant responded, "At my current level of competence, the wage is fair. Namibia has become expensive, very expensive." The cost of living for meeting basic needs in Windhoek is shown in Table 5.

Table 5: Cost of meeting some of the basic needs in Windhoek

Items	Cost
Rent (Inside the city, 1 bedroom)	N\$6,318.18
Rent (Inside the city, 1 bedroom)	N\$4,220.75
Utility (Basic -Electricity, Heating, Cooling, Water, Garbage)	N\$1,337.60
Markets	
✓ Milk (regular) (1 litre)	N\$21.05
✓ Loaf of Fresh White Bread (500g)	N\$13.23
✓ Chicken Fillets (1kg)	N\$80.83
Taxi (Normal Tariff)	N\$13.00

Source: Numbeo (2018)

4.3 Wages of N\$10 001 and above

Two participants who earned N\$15000, which was above the threshold of N\$10000 predicted by Carr et al. (2018), did not view their salary as enhancing their capabilities, and responded as follows: "my salary does not even last 5 days" and one of the participants, who earned N\$14000, expressed this view, "as long as you try to live within your means it's tough." Such views were shared by a participant who earned N\$16000, who said that "these are challenging times. To survive, I need to double what I am earning." A salary of N\$19000 was found to be insufficient, according to a participant who earned N\$19000, "it is enough to pay for transport, food and part of my fees. I get by with assistance from my family."

Being the only person in the household who is working contributed to diminished capability for a participant who earned N\$27000, "I have a new family, am the only one working, and this wage is not enough. It is not in line with the expenses." When referring to a family arrangement, one participant who earned N\$36000 mentioned, "I still stay at my parents' house; if I move out and pay rent for myself, I will cry like my companions; there is no extra income." Another participant who earned N\$20000 responded by saying, "I find it hard to break even. There is nothing to spare." A participant who earned N\$36000 stated, "It took me time to get this job; for now, it's a relief to get my own money. I am less dependent on people." When discussing fairness and the economy, a participant who earned N\$25000 said, "The money I get is fair for the job, but the economy is not so kind...it is a small wage."

4.4 Well-being

Besides enhancing or diminishing capability, a wage can also improve employee job satisfaction. When discussing job satisfaction, an employee who earned N\$7000 mentioned, "With money, one can be satisfied, but Namibia, for now, is too expensive; I wonder how they expect us to save and grow." Another participant who earned N\$8500 agreed that life is expensive and mentioned that the manager played a role in keeping employees happy: "My salary is very small, not in line with our responsibilities, but my boss is great. He tries to keep us happy." When talking about happiness, one participant, who did not mention the wage earned, said, "Show me one person who is happy with what they earn in Windhoek." Another participant who earned N\$6000 said, "I am not that happy, but we cope", while a participant who earned N\$19000 said, "I am fine but not happy."

A participant who earned N\$5000.00 had positive feelings about the job, but not the wage, "I love what I do, not what I get." When talking about loving the job and not the salary, a participant who earned N\$16 000 shared this view, "I love my job, not my salary; I wish they could do something about it soon." A participant who earned N\$18500 opined that "the money is fine, but the work environment is toxic."

Another participant, who earned N\$8000, showed positive emotions and related this to organisational justice, responding, "It's partially fair. Some people are losing jobs due to the recession, so I am grateful to hold on to my job." A participant who earned N\$18000 was unsatisfied due to organisational injustices and said, "I am not satisfied that someone on the same level earns more than me." A participant who earned R25000 stated that "the wage is fair, as it is market related. But it is not in line with my responsibilities."

4.5 Narratives within the economic sector and compa ratio

The data per economic sector are shown in Table 6 and it is evident that employees in different sectors earn different salaries. The participants from the finance, real estate, and business services sectors were paid the most, while participants from the transport, storage, and communication sectors were paid the

least. The data shows that those who worked in the economic sector felt that N\$10001 was a moderate and fair wage, while those who earned below this threshold were more negative about their wages. The data shows that the cost of living is high in Windhoek. The researchers also calculated compa ratios from comparable economic sectors and obtained the averages from the Namibian Statistics Agency. A compa ratio compares an employee's wage with the market average. If the percentage is less than 100, it shows that employees are earning less than the market average, and if the percentage is more than 100, it shows that employees are earning more than the market average (World@Work, 2018). The data shows that participants in the mining and quarrying, electricity, gas, water, transport, storage, and communication sectors earned below the market averages.

Table 6: Employees' narratives, market averages and compa ratio

Economic sector	Narrative	Individual Wage	Market Average	Compa Ratio
Agriculture, fishing, forestry	However, the current wages only meet my immediate basic needs regarding socio-economic growth. I cannot make sound economic decisions as the wage is limiting.	N\$10 000	N\$3 339	299
Private household	The money is fair, to be honest, but Windhoek is bad. On the coast, my salary could do more than here.	N\$1 400	N\$1387	101
Mining and quarrying	Money is good.	N\$16 000	N\$17 693	90
Manufacturing (e. g clothing, food)	It took me time to get this job. For now, it's a relief to get my own money. I am less dependent on people	N\$36 000	N\$5749	626
Electricity, gas, water	Not good at all.	N\$8 000	N\$17 795	44
Construction	The money I get is so little that I cannot even take my kids to school (university) even if I want to. If I save money, I can't buy food, pay for transport etc. The company is making a profit, but they don't want to pay us a reasonable wage.	N\$6 000	N\$5441	110
Wholesale	I need more, and this is not enough. How can one invest like this?	N\$7500	N\$4019	187
Transport, storage, and communication	My wage does not work for me; I work more hours than I get paid. I am not paid for overtime, and my wage does not sustain me.	N\$2 000	N\$7957	25
Finance, real estate, and business services	It works well for me.	N\$35 000	N\$20497	170

Community, social, and personal services	Not that well, since I am not permanent, there are months I do not go to work. The wage is for food, rent transport. In the end, I do not have much to spend on myself.	N\$8 000	-	-
Catering and accommodation	For what I do, I think my wage is fair because it's not a lot of work I do, I am just a saleslady, and even if my money does not cover my living expenses, the money is according to my job description.	N\$11 000	-	-
Other	Able to provide food for the family and pay rent and meet basic needs.	N\$8 000	-	-
I do not know	I can afford taxi fare and a little food	N\$2 000	-	-
Prefer not to answer	Very bad; it does not work at all.	N\$7 000	-	-

Source: Authors' own construction

5. Managerial implications

This study has managerial implications, as it has shown that employees earn below the market averages in some sectors. In these sectors (refer to Table 6), managers can lose skilled and talented employees to their competitors. Based on this finding, it is recommended that managers should adjust employees' salaries and benchmarks to be in line with the labour market. Since the cost of living in terms of transport is high, management should develop strategies for assisting employees by subsidising transport to work. The unintended consequence of employees not being able to afford transport is higher absenteeism rates and lower productivity.

It is recommended that management should look at the policy of equality and develop strategies for work of equal value and equal pay. If employees can prove to the dispute resolution organisation agency that they are paid less for doing work of equal value, this can lead to reputational damage. An organisation with a bad reputation will struggle to attract and retain skilled workers (Bussin, 2018). Managers should consider reviewing their compensation of employees, but this does not include compensating employees who have completed their qualifications. Furthermore, they should develop a succession plan for employees once they have completed their qualifications, in order to retain them. The worst thing that can happen is for managers to lose employees after investing in them, which will involve exorbitant replacement costs. The Society of HRM has established that replacements cost 30% to 40% for employees at the entry-level, 125% at middle management level, and 200% at senior management level (Gross, 2022).

In addition, management should consider developing a policy of working from home and introducing financial literacy interventions. These interventions should be aimed at capacitating employees on different ways to generate income, as long as it does not affect their well-being and performance

adversely, or result in them sharing information with their competitors. Such training would empower employees to manage their debt, avoid being trapped in poverty, live within their means, and develop a budget to identify residential areas where they can afford to live.

Such interventions to enhance employees' ability to live a decent life might be offset by a toxic working environment, as described in the data of this study. One of the strategies for creating decent work is to train managers to be authentic. It has been established that authentic leaders have a solid moral compass, address work-related challenges without being biased, make decisions based on the facts and not emotions, and are dedicated, energised and committed to organisational values and strategic objectives (Tshwane, Maleka & Tladi, 2023).

6. Conclusions, limitations and future research

This study investigated the extent to which employees perceive their income as a living wage that enables them to live a decent life in Namibia. The theoretical frameworks developed by Carr et al. (2018) and Sen (1999) influenced this study. The former is shown in Figure 1. This framework shows that any payment is okay from the JNN (Figure 1, indicated by dotted lines) vantage point. The data obtained in this study partially confirmed this, as the data (i.e. N\$4000 and below) showed that any payment is okay. In addition, consistent with the S-theory, the solid blue line of the data indicated that employees who earned higher wages could live a decent life and meet their basic needs, as shown in Table 4 of the study.

This paper has contributed to the body of knowledge on the living wage, by presenting both the econometric and HRM approaches. Regarding the former, the focus has been on calculating the living wage based on family size, skills level and cost of living (Numbeo, 2018; Wage Indicator, 2018). Such an approach is reductionist as it does not cover well-being indicators such as job satisfaction, organisational justice or fairness, happiness, and employee engagement (Carr et al., 2018). Previous research based on well-being indicators has shown that the data followed an S-shape, which means that even when employees are earning a living wage, there is a downtrend from N\$20000 to N\$30000 (Maleka, Schultz, Van Hoek, Dachapalli & Ragadu, 2021). However, these previous research did not provide the insights that this study was able to. For example, the data showed that those earning N\$27 000 struggled to live a decent life and be happy due to family obligations. The data further showed that the cost of living contributed significantly to diminishing returns in terms of employees viewing their wages as enablers for living a decent life. Another limitation of Maleka et al. (2021) was that it only used a questionnaire and did not triangulate the data, as was done in this study. Consequently, this study provided more precise and complete information about employees' perceptions of the living wage.

Another contribution that previous research based on Carr et al.'s (2018) framework could not make was the use of the compa ratio. Insights provided by the company ratios showed how managers in

different sectors perform in terms of wage payments. Such insights are critical because they provide theoretical insights into paying employees a wage that will enable them to live a decent life. In addition, the compa ratio can also be used within the organisation to create wage fairness and mitigate factors that contribute to hostile employment relations and involve dispute resolution agencies (Martocchio, 2015).

Another key finding of this study which was not found in previous living wage research (Carr et al., 2018, Maleka. 2017) was that working two jobs can be a solution to living a decent life. Notably, the data showed that this suggestion came from the participants earning above and below the wage threshold of N\$14 500 predicted by the Wage Indicator (2018). The implication of working two jobs is that employees will work extra hours, which might lead to fatigue and burnout. This suggestion is not in line with the Living Wage Foundation in the United Kingdom (Richardson, 2021), which advocates that employees should only work eight hours per day.

Consistent with the literature (McConnel, Bruce & Macpherson, 2013), the data showed that older employees with higher qualifications and job grades earned higher wages. The data also showed that the economic sector contributed to higher wages. It was found that females who were employed on a full-time basis earned slightly more than their male counterparts, while males who were hired on a part-time basis, on average, earned more than their female counterparts. The most likely reason for females earning more than males is that they worked in economic sectors that paid well, had higher qualifications, or had been employed for longer periods.

Despite this study making both practical and theoretical contributions, it did have limitations. Besides being cross-sectional and creating a once-off picture of the research topic, it used a questionnaire to collect the data. This limited researchers' opportunity to probe for further clarity. Considering this, it is recommended that researchers use semi-structured interviews in the future. Furthermore, a follow-up study could be conducted since this study was done prior to the Covid-19 pandemic. Investigating employees' perceptions post-Covid-19 would be worthwhile, since working arrangements have changed in some sectors, such as information and communications technology (ICT), and employees are now working from home. Future research could establish how such working arrangements have impacted transport and utility costs (electricity, heating, cooling and water).

In conclusion, the data in this study have shown that Windhoek's wages are perceived from negative to moderate, irrespective of whether employees are earning below or above the predicted living wage. This is due to family commitments (e.g. family size and black tax) and the cost of living.

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