

**OVERHYPED
OR UNDERESTIMATED**
- THE IMPACT OF AI ON
REMUNERATION AND
BENEFITS

**TO ENHANCE RATHER
THAN REPLACE**
- DRAFT KING V

**REMUNERATION AND
BENEFITS TRENDS IN SA**
- NAVIGATING 2025

**EMBRACING
THE SILVER
WORKFORCE:
SOUTH AFRICA'S
GOLDEN
OPPORTUNITY**



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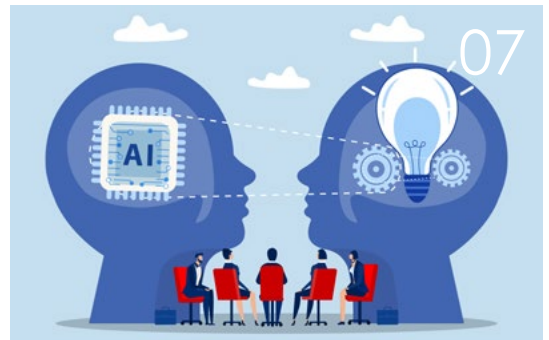
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LETTER FROM THE EDITOR



I am pleased to present the latest edition of our HR Quarterly, which highlights the accomplishments, strategic advancements, insights, and trends from the first quarter of 2025. The publication begins by introducing **Smangele (Sma) Maphanga**, our Key Account and Business Development Manager, through her profile feature on page 4. We are excited to have Sma on board as her expertise and enthusiasm have already made a positive impact on our team and clients.

Team members have contributed several noteworthy articles, including **Louna Robbertse's** piece titled "Embracing the Silver Workforce," which examines the significance and value of older workers in a multi-generational workforce. On page 21, **Bokang Phoshana** reflects on her experience as a Remchannel intern in 2024 and her excitement for being permanently appointed as a Key Account Administrator, following her growth over the past year. Additionally, we feature various articles that offer insights into how geopolitical, economic, technological, social and governance factors are influencing the remuneration and reward industry.

In February 2025, the diverse team behind the launch of our Talent Vantage™ integrated pay and benefits optimisation solution received the Super Team award at the Old Mutual Corporate Excellence Awards. The positive impact of Talent Vantage™ in driving employee and business performance is further illustrated with an article that includes a case study on page 5.

In March 2025, we successfully hosted our first client engagement session of the year in Cape Town, focusing on the practical implications of the amended Companies Act. We extend our gratitude to all the clients who joined, participated, and contributed to the robust discussion. We look forward to the Johannesburg event on 29 May 2025, and the future engagements that enrich the work we do.

Looking ahead, we anticipate sharing the April 2025 Salary and Wage Movements Report, showcasing the enhanced Remchannel technology platform, celebrating our 25 year anniversary, and continuing our partnership to serve clients' needs purposefully.

For now, do enjoy the read and reach out to us should you need any remuneration and benefits research, product and consulting support.

Lindiwe Sebesho
MD: Remchannel

"We look forward to hosting the Johannesburg leg of our engagement focusing on the amended Companies Act on 29 May 2025."

Lindiwe Sebesho
MANAGING DIRECTOR: REMCHANNEL®



MEET SMANGELE MAPHANGA

Smangele joined Remchannel in January 2025 as the Account and Business Development Manager, a position she believes aligns perfectly with her passion for driving client-centric solutions and experiences.

Q Why is it so important for you, in your role at Remchannel, to understand the core purpose of your clients' business?

A Over the years, I have come to understand that employees are the backbone of any organisation, playing a pivotal role in its success. As consultants, we are key strategic partners not only in ensuring fair and equitable pay in line with legislation but also in helping organisations to be recognised as employers of choice. Understanding the core purpose of a client's business allows us to drive this strategy effectively. By fostering a supportive and equitable work environment, we enhance employee dedication and performance, both of which are crucial to achieving business goals and sustaining growth.

Q What do your most successful clients do really well?

A They listen to and value their employees. Traditionally, organisations would conduct employee surveys to measure employee experience, often finding that money ranks at the top. However, with a new generation of employees entering the workplace, other factors – including a strong emphasis on work-life balance, social impact, a focus on technology and flexibility, valuing authenticity and transparency from employers, to mention a few – have become more important.

In my view, the secret to being a top employer lies in a strong commitment to creating a work environment wherein employees feel valued, have opportunities for growth, experience open communication, and are actively involved in the company's direction. This alignment with the company's values and goals, along with prioritising employee well-being and development beyond just providing a pay check, is what sets successful clients apart.

Q What do you wish more organisations knew about total rewards package structuring?

A Reward and remuneration are essential for organisations as they have a profound impact on employee motivation, engagement, and retention. By offering competitive rewards, companies can attract top talent, align employee behaviour with organisational goals, and create a positive work environment in which individual contributions are recognised and valued.

Q What trends do you see shaping the rewards space in the coming years, and how can organisations prepare for these changes?

A Systems, systems, and more systems! The rewards fraternity is embracing AI and increasingly integrating it into the world of work. HR is no longer just another function – it has evolved into a strategic partner that develops talent acquisition strategies that are aligned with business objectives. HR now uses data-driven insights to attract and retain top talent. Powerful analytics and reporting that examine overall processes and their impact on organisational performance are now being incorporated into day to day.

Q What are the most important lessons you have learned throughout your career?

A I've learnt that building and maintaining relationships is crucial. Your work ethic is not only reflected in your job but it also has a long-term impact on your career and your ability to build a healthy professional reputation. I have been able to build a strong network of professionals who support and inspire each other. Partnering closely with clients has allowed me to understand their needs better and thus deliver tailored solutions that exceed their expectations. I'll also say that taking calculated risks and embracing new challenges has not only led to personal growth but also opened doors to innovative opportunities and successes.



DRIVE EMPLOYEE AND BUSINESS PERFORMANCE WITH TALENT VANTAGE™

In today's employment landscape, organisations encounter various issues such as the rising cost of living, employees facing financial pressures, limited readiness for pay transparency among companies, and high resignation rates. These factors hinder the development of a resilient workforce. An optimised total reward strategy can help attract and retain top talent while ensuring regulatory compliance, controlling operational costs, and driving business performance and growth. Talent Vantage™ provides this solution.

Integrated Suite of Pay and Benefits Solutions

Talent Vantage™ combines the expertise of Remchannel and Old Mutual Corporate Consultants to improve pay and benefits systems. Talent Vantage™ offers clients an efficient approach to managing their talent and reward strategies. Its suite includes total reward solutions covering fixed pay, employee benefits, financial wellbeing, and performance-based variable pay. This ensures that clients can deliver a competitive, flexible, responsible, and compliant Employee Value Proposition (EVP) that meets diverse workforce needs effectively.

A Holistic Review of your Total Reward Strategy

Talent Vantage™ supports clients with a holistic review of their total reward strategy, covering all elements of remuneration and benefits as well as the reward environment so as to enable optimal performance. This helps clients offer a balanced and competitive package that aligns with market practice and addresses the immediate and long-term financial needs of employees while achieving strategic objectives sustainably.

A Comprehensive Pay Scale Review Process

Talent Vantage™ assists clients with a pay scale review process using Remchannel's accurate data to benchmark and inform competitive pay by industry. This ensures that clients can offer fair and competitive salaries crucial for attracting and retaining quality talent.

Variable Pay Scheme Review/Design

Through Talent Vantage™, clients can also review and/or design performance-based Short-Term Incentive and Long-Term Incentive schemes, incorporating financial modelling and rules drafting. This helps clients create incentive programmes that drive performance and align with the organisation's strategic goals both in the short and long term.

Holistic Benefits Review and Optimisation

Talent Vantage™ focuses on a holistic benefits review and optimisation approach, addressing retirement benefits, risk benefit design, healthcare solutions, ancillary benefits, and wellness and value-added benefits. This enables clients to offer an attractive benefits package that promotes employee wellbeing and addresses the varied needs of a multi-generational workforce.

CASE STUDY: REM AND BENEFITS REVIEW PROJECT

A major client recently utilised the Talent Vantage™ solution to successfully deliver their Remuneration and Benefits Review Project. The project included a comprehensive review of the client's remuneration and benefits strategy to address several key challenges, including:

- difficulties in communicating its total reward offering
- inconsistent employee experience of the total reward offering due to historical practices
- benefit offerings that were inflexible and not aligned to individual short- and long-term needs
- challenges in complying with regulations governing pay equity and transformation proactively
- an inability to attract, employ, and retain top talent.

The project aimed to create an inclusive pay and benefits system to improve employees' financial wellbeing and attract top talent. Changes included shifting to a cost-to-company model and offering flexible retirement savings options.

Given the project's scope, a robust change management plan was developed to ensure that all the changes were communicated clearly and accepted by all the stakeholders affected by the transition.

The client reported positive outcomes, following the success of phase 1, including pay and benefits aligned with market standards, predictable payroll costs, and flexibility in addressing both the immediate and long-term financial needs of employees. These factors are essential for positioning the client to attract talent and support the performance of the employees to achieve its business strategy sustainably.

Talent Vantage™ is a comprehensive solution that helps clients improve their value proposition through responsible flexibility and choice. By addressing prevalent challenges in the employment landscape and offering an extensive suite of solutions, Talent Vantage™ equips clients to attract and retain premium talent.

For more information on any specific solution, reach out to any Remchannel or OMCC team member.




INTRODUCING
TALENT
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OVERHYPED OR UNDERESTIMATED? EXPLORING THE IMPACT OF AI ON REMUNERATION AND BENEFITS



In a debate between the founder of Alibaba Jack Ma and Elon Musk, Ma declared that it was impossible for machines to control humans. Today, this serves as a point of reflection in an era of rapidly advancing artificial intelligence.

Since the conversation between Ma and Musk took place five years ago, the trajectory of artificial intelligence (AI) development prompts a re-evaluation of Ma's assertion. In so doing, a critical question arises: is the impact of AI on total reward being overhyped, or are we drastically underestimating its potential?

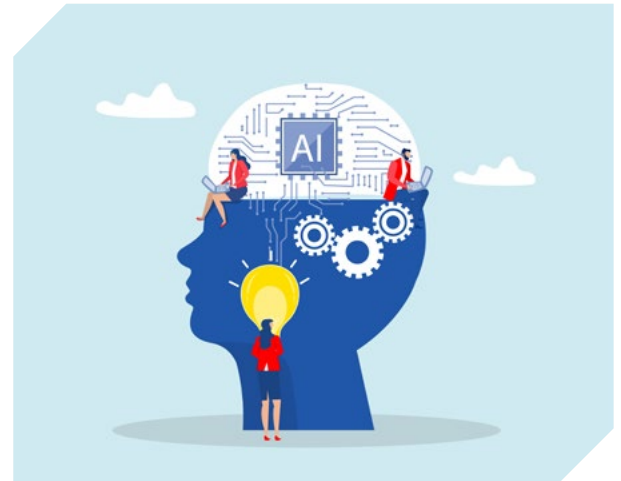
The subtle control that AI exerts through curated content and algorithmic suggestions has long hinted at a future where its influence would be profound. At a recent Singularity summit held in Johannesburg, a speaker shared that "Today is the slowest it will ever be". With this in mind, the question of AI's true impact becomes increasingly urgent, particularly when considering the ethical considerations that underpin its development and application in areas affecting talent.

ARE WE GRASPING THE MAGNITUDE OF THIS SHIFT?

For decades, remuneration and benefits have been a careful blend of market analysis, performance evaluations, and, in many respects, intuition. However, the arrival of AI is forcing a reimagining of this space.

It's not merely about automating existing processes; it's about fundamentally altering how we perceive and reward talent. While executives and HR professionals are increasingly aware of AI's potential in talent acquisition and development, its transformative potential in remuneration and benefits may be underestimated.

AI is moving beyond simple automation. Potential developments could arise in the following examples: a longitudinal analysis of the workforce could identify factors influencing tenure, skills, and behaviour as well as performance in relation to pay and its impact on strategy execution. Elsewhere, it can facilitate auditing and identifying existing and developing pay inequities or identifying flight risks based on employees' skills and real-



time engagement, market benchmark data comparisons, and a number of recruitment adverts.

While this is exciting, the application of AI in such a sensitive area necessitates building a strong foundation of trust and developing ethics-first frameworks for its engagement.

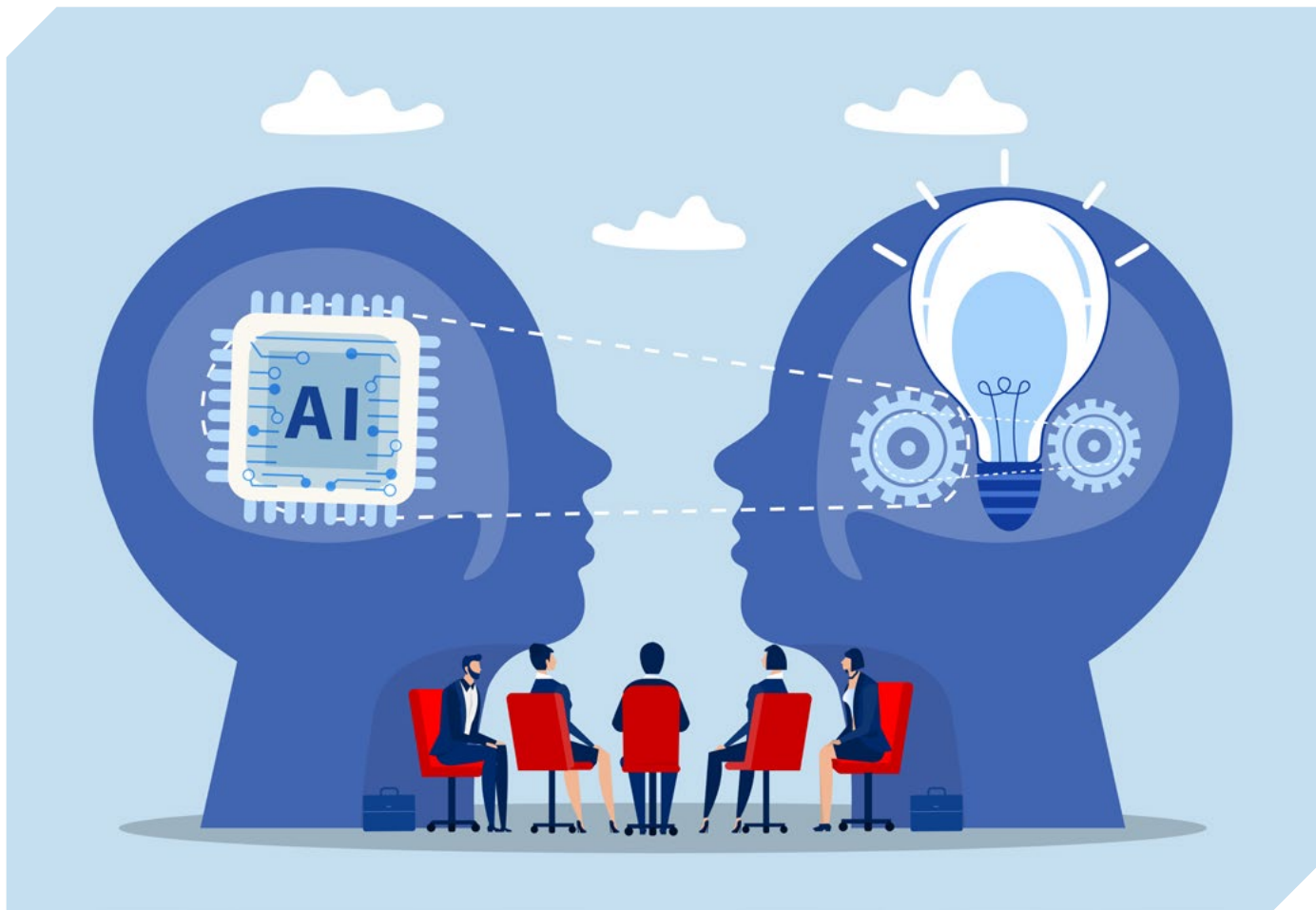
AT THE RISK OF OVERHYPERING AI'S CAPABILITIES

AI is often perceived as a "black box", a mysterious entity whose decisions are opaque and inscrutable. This perception must be dispelled through transparency and defensible explanations. There should also be considerations regarding the use of historical data used to train AI models, as existing biases can be magnified by algorithms.

Employees need to understand how AI-driven decisions are made, ensuring that the algorithms are not merely perceived as magic but as tools that enhance fairness and efficiency in our practices.

Furthermore, to safeguard individual and organisational confidentiality, it is critical to ringfence data, ensuring that AI is restricted for enterprise use only. Robust data governance policies and strict adherence to privacy regulations are essential. The challenge lies in balancing the potential benefits with the need for ethical implementation, ensuring that the excitement surrounding AI does not overshadow the crucial need for responsible deployment.

It's not merely about automating existing processes; it's about fundamentally altering how we perceive and reward talent.



IS THERE A ROLE FOR HUMANS?

Even in this hyper digital world that's increasingly engaging AI, human judgement remains indispensable, more so when dealing with factors that cannot be quantified easily. An employee's contribution, potential, and future growth prospects, for example, are often nuanced and complex. To understand them requires human involvement.

Moreover, team dynamics, organisational complexities, and strategic goals necessitate a level of understanding that AI alone cannot provide. AI can provide data-driven insights, but it cannot, for now at least, replace the empathy, judgment, and relationship-building skills that are essential for effective remuneration and benefits management.

The danger lies in overestimating AI's ability to replace human judgement, leading to potentially flawed and inequitable outcomes. Even so, the future of fair pay is inextricably linked to the responsible integration of AI.

By embracing AI, organisations can create a more personalised, dynamic, and equitable remuneration and benefits outcomes, thus

improving their ability to attract and retain top talent while driving business performance. This transformation requires a proactive approach to addressing the ethical challenges that arise with the use of AI and ensuring that this technology is used transparently and responsibly.

Ultimately, the question of whether AI's impact is overhyped or underestimated depends on our ability to navigate its complexities with foresight and responsibility. It is imperative that we prepare for a future wherein data and AI play a central role in assisting us to value and reward our most valuable asset: our people.

AI can provide data-driven insights, but it cannot, for now at least, replace the empathy, judgement, and relationship-building skills that are essential...



EMBRACING THE SILVER WORKFORCE: **SOUTH AFRICA'S GOLDEN OPPORTUNITY**

Whether driven by financial security, an unyielding passion for their profession, or the opportunity to pass on essential expertise to the next generation, seasoned employees are redefining what it means to retire.



Retirement is often viewed as the final chapter of one's professional life. It is seen affectionately as a time to leave the workforce and enjoy the results of one's lifelong efforts therein. However, as South Africa navigates a rapidly changing economic landscape, a new trend emerges: the rise of the "silver worker"—professionals over the age of 60 who choose to continue working into what would normally be considered their retirement years. Whether driven by financial security, an unyielding passion for their profession, or the opportunity to pass on essential expertise to the next generation, these seasoned employees are redefining what it means to retire.

As I approach my own retirement in two years, I am pondering on what this shift will entail for me. Like many people in my position, I am experiencing a mix of exhilaration and apprehension. Will I pursue full retirement, or will I be drawn back into the workforce in some capacity? The answer is not straightforward, as financial factors, personal fulfilment, and a desire to remain intellectually engaged all come into play.

WHO HIRES OLDER WORKERS ANYWAY?

Several major variables are driving the retention of senior employees in the workplace, now making experienced professionals an indispensable asset in South Africa's labour market. Let's unpack some of them.

1. Longer life expectancy and the rising cost of living:

As life expectancy increases and living expenses rise, many South Africans find it necessary to extend their working years. For some, continuing to work provides financial stability and a decent lifestyle. I, too, must examine whether my retirement assets will be sufficient to support the lifestyle I would like to live.

2. Bridging skill gaps:

Many industries, including education, healthcare, and engineering, are experiencing serious shortages of skilled and competent workers. Companies understand that retaining older staff facilitates the transfer of their knowledge to younger colleagues, thus decreasing skill gaps and increasing overall productivity. If my skills are still needed, I'll be ready to mentor younger colleagues.

3. Flexible work options:

The advent of consulting, remote work, and gig economy has given older professionals additional opportunities to stay involved in the industry without the demands of full-time employment. This is something I may investigate as it would allow me to strike a balance between continuing working and enjoying my well-earned retirement.

4. The advantages of age diversity:

Organisations are increasingly recognising the value of having a multi-generational workforce. Older employees can mentor younger ones, improve teamwork, and contribute to more informed decision-making, which complements the innovation and valuable new energy that newer entrants offer. Perhaps I'll find fulfilment in advising roles where my experience will be useful.



Many industries, including education, healthcare, and engineering, are experiencing serious shortages of skilled and competent workers.

IMPLEMENTING A SILVER WORKER TALENT STRATEGY

To benefit from the expertise brought by silver workers, South African organisations are increasingly employing tactics that generate mutually advantageous prospects for both enterprises and seasoned professionals. These include:

- ▶ **Corporate mentorship programmes:** Many companies match senior personnel with younger staff to promote knowledge transfer and professional development. These projects promote leadership expertise and reduce generational gaps in the workplace.
- ▶ **Consulting roles in engineering and manufacturing:** Experienced experts are taking on advisory roles in these industries, guiding fresh talent and ensuring industry standards are maintained. Their extensive experience reduces risks and enhances operational efficiency.
- ▶ **Engaging retired medical professionals:** In response to the country's healthcare shortages, hospitals and clinics are increasingly turning to retired doctors, nurses, and specialists to share their expertise and improve patient care.
- ▶ **Addressing teacher shortages:** More educational institutions are retaining experienced instructors by offering advising roles and adjunct posts to ensure that vital academic information and teaching approaches are preserved.

THE FUTURE OF THE SILVER WORKFORCE

The expanding presence of silver workers is changing the face of employment in South Africa. Organisations that embrace age diversity, provide flexible work arrangements, and invest in ongoing development will be well positioned to capitalise on the enormous value that older professionals can contribute.

For me, the golden age of the silver worker is more than a concept; it is a personal reality that I shall soon face. The challenge is not simply extending a career but also finding meaning and purpose in the years ahead. Whether through continuous employment, mentorship, or new endeavours, I am excited to learn how I may be of value in this next phase of my life.

South Africa is not only redefining retirement by honouring and empowering experienced workers, it is also creating a stronger, more resilient workforce for the future. That is worth serious gold.

Older employees can mentor younger ones, improve teamwork, and contribute to more informed decision making,



BOKANG'S INTERNSHIP CHRONICLES: A TRANSFORMATIVE JOURNEY OF GROWTH

Meet Bokang Phoshana, Remchannel's intern, whose year-long internship saw her grow from being a nervous newcomer to a confident corporate professional that's ready to take on the world of work.



In 2024, I embarked on my corporate journey as an intern at Old Mutual Corporate, an opportunity that filled me with excitement and granted me the privilege of joining the Remchannel team. As a BCom Honours Economics graduate, stepping into an unfamiliar industry was both exhilarating and uncertain. While I wasn't entirely sure what to expect from the internship programme, I was confident in my readiness to learn.

The people you work with can influence whether you enjoy your job or not. During my internship at Remchannel, I was welcomed warmly by the team from the beginning. This contributed to an overall positive experience. A special thank you to our Managing Director Lindiwe Sebesho and Administration Manager Nayuri Naidoo for being instrumental in launching my corporate journey.

When I joined Remchannel, the concepts of remuneration and reward were entirely new to me. My time at Remchannel has since provided me with a deeper understanding of job profiling, job evaluation, and salary benchmarking with the latter being a key area of learning in the Key Account Administrator team.

I acknowledge my line manager, Elize Van Biljon, Senior Manager: Back Office, for her significant role in shaping my experience. She fostered a teachable environment and dedicated time to train me. Her guidance allowed me to build confidence in my abilities and she contributed to my professional development. Besides learning about remuneration and rewards, I have sharpened my Microsoft Office skills, which are invaluable in my role.

Additionally, my exposure to the working environment has allowed me to refine my professional conduct and take initiative in engaging with and building relationships

with colleagues and professionals beyond my immediate sphere. This has cultivated in me a growth mindset that views challenges as opportunities and has led me to redefine what success means. True success, I have learnt, is found in your "Becoming" – the person you evolve into, marking a transformative shift in mindset that empowers me both personally and professionally.

Remuneration and rewards has become an area of great interest to me, and I am eager to continue growing in this field as I advance in my career. I am deeply grateful to Remchannel for providing me with a memorable experience and a strong introduction to corporate life.

My internship with Remchannel has been an exceptional learning journey, enriched by the incredible people and the supportive environment they fostered. This experience has equipped me with both theoretical insights and practical skills to prepare me for the next steps in my career.

I am excited that this journey has led to a permanent role with Remchannel. Knowing that my dedication and potential have been recognised is both humbling and deeply satisfying. This opportunity marks a significant milestone in my professional growth. I look forward to expanding my expertise, embracing new challenges, and making meaningful contributions to a team that has played a pivotal role in my development.

"The greatest people are those who dare to be different, for it is in their uniqueness that they shape the world and inspire others to do the same." Nelson Mandela

"The greatest people are those who dare to be different, for it is in their uniqueness that they shape the world and inspire others to do the same."



REMUNERATION AND BENEFITS TRENDS IN SOUTH AFRICA: NAVIGATING 2025





Organisations in South Africa are navigating a changing landscape of remuneration and benefits, driven in part by workers' increasing demand for flexible remuneration amid rising living costs. Several developments are, therefore, shaping how companies adjust strategies geared towards attracting, retaining, and motivating their workforce. Here are some of the key trends at play and the initiatives companies are adopting to tackle them.

SALARY INCREASES VS CONSUMER PRICE INDEX (CPI)

While inflation was not the only factor used to determine annual salary increases, the Remchannel Salary and Wage Movements Survey published in October 2024 indicated that most South African companies awarded increases above the CPI in 2024, with increases averaging 5.99%. However, the increases granted were lower than a year ago as most organisations maintained a conservative approach to awarding these despite the rising cost of living.

CONTINUED COMPETITION FOR SKILLS

The rising cost of living contributes to higher turnover rates as employees seek better-paying opportunities elsewhere. According to the same Remchannel report, overall turnover as at October 2024 was 15.5%, with 47% of this turnover due to resignations driven by the need to earn more money.

To retain talent, companies continue to seek ways to offer competitive remuneration packages that include

benefits that address employees' financial concerns, particularly in today's pressured economic environment. The need to remain competitive and attractive without increasing costs has led to a more determined focus on a holistic Employee Value Proposition (EVP).

INNOVATIVE REWARD AND BENEFIT STRATEGIES

As part of efforts to create more comprehensive EVPs, organisations are shifting from static reward structures to more adaptable structures that cater to diverse employee needs. More adaptable structures also serve to optimise the overall remuneration package. This trend is also driven by the need to create a work environment wherein all employees feel valued and supported to deal with both short- and long-term financial needs.

Accordingly, tailored and flexible total reward structures are becoming essential for fostering a sense of belonging and engagement in the workplace. According to a Remchannel Employee Benefits Survey (December 2023), some of the innovative strategies being used include earned wage access, soft loans with favorable terms, flexible retirement fund contributions, and enhanced financial education to help employees manage their finances better.

Simultaneously, AI-driven tools provide advanced HR analytics for the creation of data-driven pay strategies, and benefits administration is becoming more efficient with AI streamlining processes such as benefits enrolment.



... an encouraging number of organisations are treating wage gap analysis as an opportunity to ensure that every employee is paid in a manner that enables them to participate in the economy effectively.

amended Companies Act, including a binding vote on the remuneration report. Shareholders are likely to vote against the remuneration report if they do not understand what is being reported, highlighting the necessity of making remuneration reporting clear and transparent.

Importantly, remuneration reporting can no longer be seen as a tick-box exercise. A concerted effort to tell a narrative that illustrates a fair and responsible remuneration policy with regard to all employees, not just executives, is essential.

These trends indicate the need for strategies like flexible pay packages, prioritising pay equity, and including ESG metrics in executive compensation. Transparent remuneration reporting can further improve trust and engagement among stakeholders, aiding companies to remain competitive and be resilient. More specifically, these strategies assist companies to retain talent and to promote an inclusive and sustainable work environment that employees are proud of.

INCREASED FOCUS ON THE WAGE GAP

The regulatory landscape is increasingly focused on pay transparency and equity. Section 30B of the Companies Amendment Act, which was signed into law in July 2024 but is not yet effective, mandates the disclosure of wage gaps as part of the remuneration reports of public and state-owned entities.

While some see this as a compliance burden, an encouraging number of organisations are treating wage gap analysis as an opportunity to ensure that every employee is paid in a manner that enables them to participate in the economy effectively. For these organisations, remuneration strategies that ensure they pay fair wages to the lowest earners in the organisation are a key part of their sustainability efforts, and some have proactively disclosed and adjusted salaries for their lowest-paid workers.

SUSTAINABILITY AND EXECUTIVE PAY

Variable pay is increasingly tied to Environmental, Social, and Governance (ESG) imperatives and targets, which have become an embedded feature of long- and short-term incentive plans. Many of South Africa's listed companies now include ESG metrics in their executive incentive plans, although these typically make up a smaller proportion of the overall performance scorecard and assessment than financial and operational metrics.

ENHANCING REMUNERATION REPORTING

Accurate remuneration reporting is essential to comply with upcoming regulatory changes in the





TO ENHANCE RATHER THAN REPLACE



**Why the draft King V may not mean
the end of King IV**

The draft King V ("King V") report (that was released this year and the period for comments closed on 4 April), is described as an outcomes-based code. The draft aims to guide boards to achieve the following:

- An ethical culture
- Performance
- Conformance
- Legitimacy

King V takes a streamlined approach to guidance with the number of principles reduced from 17 in King IV to 12. A disclosure template that contains further guidance forms part of the draft code. The remuneration governance principle identified as Principle 14 in King IV is identified as Principle 10 in King V.

From a remuneration perspective, the key changes to be aware of are outlined below.

ASPECT	PRINCIPLE 14 KING IV	PRINCIPLE 10 DRAFT KING V
Board responsibility	The board's responsibility to ensure fair, responsible, and transparent pay is centred on strategic objectives and positive outcomes.	The board's responsibility to ensure fair, responsible, and transparent pay is centred on sustainable value creation within the organisation's economic, social, and environmental context. The IODSA clarifies that this meaning is the same as what is contained in Principle 14 of King IV.
Remuneration philosophy	Outlines the remuneration philosophy, including principles of fair and responsible pay, and the need for alignment with organisational performance.	Focuses on sustainable value creation and the need for remuneration practices to support long-term organisational success.
Remuneration policy	Details the elements that should be contained in the remuneration policy, including the elements of remuneration, the remuneration philosophy, fair pay mechanisms, and overall governance principles.	Focuses on what the remuneration policy should achieve. Further guidance is supplied in the disclosure template.
Remuneration report	Provides guidance on the content of each part of the remuneration report, i.e. the background statement, the remuneration policy, and the implementation report.	Principle 10 is silent on the content of the remuneration report. This is a response to the Companies Amendment Act, which legislates the publishing of a remuneration report for public and state-owned companies.
Disclosure requirements	Emphasises detailed disclosure of remuneration policies and practices, including the rationale behind remuneration decisions and alignment with strategic objectives.	Introduces a standardised disclosure template to facilitate and clarify disclosures on governance practices and to promote transparency.

ASPECT	PRINCIPLE 14 KING IV	PRINCIPLE 10 DRAFT KING V
<p>Voting on remuneration and shareholder engagement</p>	<p>The remuneration policy and the implementation report should be tabled for voting every year for separate non-binding advisory votes by shareholders at the AGM. Dissenting votes of 25% or more on the remuneration policy and the implementation report trigger mandatory shareholder engagement.</p>	<p>Excludes public and state-owned companies from its non-binding voting recommendation. This is due to the binding voting provisions contained in the amendments to the Companies Act. Even so, proactive and constructive engagement with shareholders is recommended.</p>
<p>Non-executive director fees</p>	<p>Outlines the remuneration philosophy, including principles of fair and responsible pay, and the need for alignment with organisational performance.</p>	<p>The criteria to be applied to the setting of fees for non-executive directors of the board should be outlined in a policy document and in a format that is suitable for submission to shareholders for their consideration when approving the fees for directors' service in terms of the Companies Act, if applicable.</p>
<p>Governance framework</p>	<p>Provides a comprehensive framework for governance of remuneration, including the roles and responsibilities of the remuneration committee.</p>	<p>Updates and streamlines the governance framework to reflect contemporary developments in corporate governance, ensuring alignment with current best practices.</p>

As King V adopts a streamlined, outcomes-based approach with a concerted effort to make the code easier to read and understand, the detailed guidance contained in King IV is still important as it provides guidance on how to reach the outputs recommended by the draft King V. Good corporate governance does not exist in a vacuum;

legislation and corporate governance principles co-exist in order to promote the highest possible standards of operational efficiency.

While we welcome the amendments to the Companies Act and the draft King V, we believe King IV still has its place.





OPTIMISING EMPLOYEE WELLBEING

A collaboration using Old Mutual's employee benefit solutions and Remchannel's remuneration and consulting services

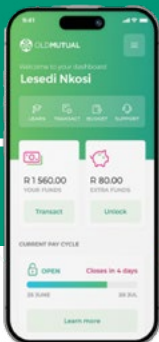
AN INTEGRATED APPROACH TO WELLBEING SOLUTIONS

True financial security extends beyond just retirement planning—it's about ensuring employees thrive at every stage of life. Our approach to employee benefits is therefore to help retirement fund members achieve their long-term financial goals while also enhancing their overall quality of life.

A key pillar of this approach is holistic well-being, recognising that financial health is deeply interconnected with physical, mental, and emotional wellness. Through a suite of innovative offerings, we support employees in navigating life's challenges with confidence, ensuring they are empowered to live well today while securing a better tomorrow. Our core services focus on comprehensive employee well-being, including:

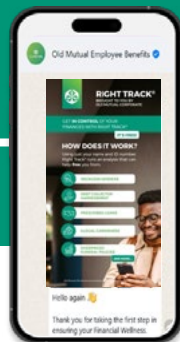
SMART SALARY®

An earned wage access solution, offered in collaboration with PayCurve, enables employees to access part of their earned income before the customary payday. This service is designed to lessen dependence on high-cost credit options and support financial stability.



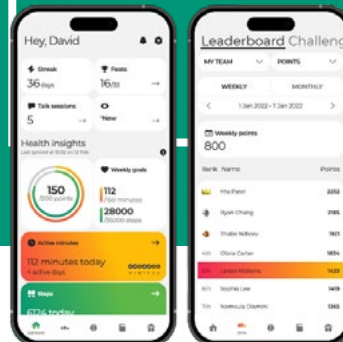
RIGHT TRACK®

A debt management solution designed to assist employees in identifying and addressing issues such as reckless lending, illegal garnishees, and over-insurance. By freeing up personal cash flow, Right Track® provides employees with sustainable alternatives to accessing long-term retirement savings.



STROVE

Strove motivates employees to build and maintain healthy exercise habits by syncing health and wellbeing activity data through popular wearables and activity trackers. Employees earn Strove points for achieving exercise goals, which can be redeemed for vouchers, discounts from global health and wellness brands.



FINANCIAL WELLBEING PROGRAMME (FWP)

Provides employees with education on financial management, aiming to reduce stress and improve decision-making, in response to the 45% of working South Africans who experience significant financial stress (OMSIM, 2023).

THE VALUE FOR EMPLOYERS AND EMPLOYEES

The initiative brings together Remchannel's remuneration benchmarking and consulting services with Old Mutual Corporate's employee wellbeing offerings. The aim - to assist organisations in developing competitive pay and benefits packages, thereby enhancing their capacity to attract and retain talent.

It further promotes the creation of robust Employee Value Propositions (EVPs) by incorporating innovative solutions such as on-demand pay through Smart Salary®. Additionally, it addresses immediate financial challenges faced by employers and employees via the Right Track debt support programme, ultimately aiming to enhance employee satisfaction and financial resilience in the current economic climate.

Improving financial wellness enhances productivity and retention as financial stress can impair focus, mental health, and critical thinking. Therefore, integrated

Our suite of solutions is progressively growing, enhancing our core employee benefits value proposition with a combination of free and discounted benefits

solutions not only boost corporate reputations as socially responsible but also help attract top talent through a comprehensive employee value proposition.

Remchannel leverages real-time remuneration data alongside Old Mutual Corporate's financial wellness programmes, such as Smart Salary® and Right Track®, providing customised compensation and well-being solutions. This approach ensures employees receive competitive benefits, increasing job satisfaction and engagement.

PUTTING THIS INTO ACTION - A REAL LIFE CASE STUDY

Remchannel and Old Mutual Corporate partnered to provide a large employer with a comprehensive review of their sales commission structure. This review aimed to enhance the sales incentive programme to support the achievement of the organisation's sales targets. During this process, a need for solutions that address employees' day-to-day financial wellness was identified.

Given the difficult economic environment that resulted in financial challenges and minimal pay increases, it was noted that financial stress was impacting employee engagement. To address this, the Right Track® programme is being implemented to help employees manage and relieve current debt by writing off non-compliant debt commitments. This should result in a reduction in their monthly financial obligations.

Additionally, the Smart Salary® programme is also being introduced, which will allow employees to access their earned wages before the traditional payday, reducing the reliance on loans. This should provide financial relief and improve cash flow for employees.

To support long-term financial wellness, comprehensive financial education modules, estate planning services, and optimised funeral insurance policies will also be offered. These measures contribute towards employees' overall financial stability and satisfaction.

This case study highlights how tailored solutions that enhance employee motivation, engagement, and financial wellness, benefit both employees and the organisation.

LOOKING TOWARDS THE FUTURE

When we initially launched our new wellness solutions, our primary focus was on supporting the Old Mutual SuperFund members in achieving their long-term financial objectives, such as saving for retirement. Our goal was to provide short-term financial solutions that would prevent immediate challenges from jeopardising these long-term goals. However, our partnership with Remchannel revealed an opportunity to integrate these solutions into Total Reward and EVP propositions, thereby assisting employers in attracting and retaining talent.

Remchannel provides invaluable insights into employer trends, which guide us in developing appealing value-added solutions. For instance, the increase in employers offering soft loans to staff from 19.4% in 2019 to 40.4% in 2024, along with the rising trend of on-demand pay, has reinforced the business case for Smart Salary®. These insights underscore the necessity for focused financial

well-being interventions alongside traditional wellness solutions. This ongoing partnership will continue to identify gaps and prioritise new solutions as we expand our offerings.

Our suite of solutions is progressively growing, enhancing our core Employee Benefits value proposition with a combination of free and discounted benefits. This includes utilising AI chatbots for personalised financial guidance and providing a better understanding of benefit structures. We are expanding our services to support diverse employee needs across various life stages through our Member-For-Life strategy, and proactively adapting to emerging trends in remuneration and employee benefits to remain flexible and responsive to employer requirements.

As we develop new employee benefits solutions, with several value-added options in the pipeline for 2025, this collaboration will enhance value creation for both Old Mutual SuperFund and Remchannel clients.



SPEAK TO US

To learn how our integrated services can transform your workplace and contribute to the success of your organisation, email us here: wellbeingsolutions@oldmutual.com.

Together, we can build a brighter, more financially secure future for your employees.



Workshops

- ▶ **REWARD ACADEMY - 14 & 15 May 2025**
- ▶ **JOB PROFILING AND JOB EVALUATION - 11 & 12 June 2025**
- ▶ **EXCEL SKILLS FOR REMUNERATION PRACTITIONERS - 17 & 18 June 2025**
- ▶ **PAY STRUCTURING - 23 & 24 July 2025**

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Visit our website [here](#)

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