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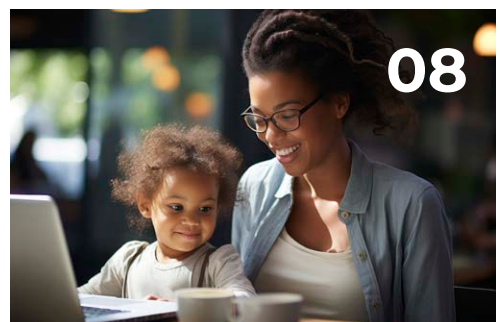
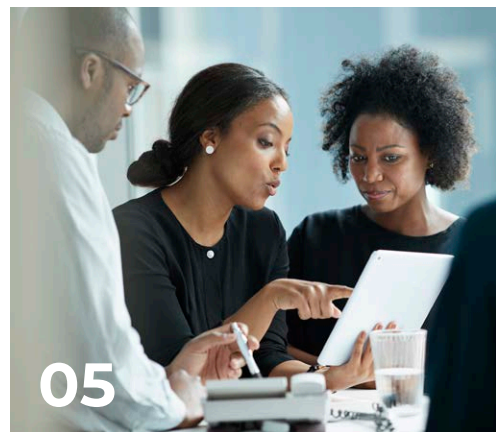
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## A FINAL WORD FROM THE EDITOR

As I write this, I am filled with a sense of both gratitude and loss. I am grateful for the opportunity to have served as the editor of the HR Quarterly for more than 20 years. At the same time, I'm saddened that I will no longer be writing about some of the amazing changes and trends affecting the world of work.

During my tenure as Managing Director of Remchannel, I have had the privilege of working with some of the most talented and highly regarded reward professionals in the business. Each and every one of you impacting my almost 30-year career in reward has provided me with an opportunity to learn, grow, and make a contribution to this wonderful profession.

I am also grateful to the readers of this prestigious publication. Your support for Remchannel has made it possible for us to partner with you to deliver high-quality services and valuable research to assist you with your everyday decision-making. To our shareholder, Old Mutual, a special word of thanks for believing in the value that Remchannel could add to our collective clients. With your support the business has grown significantly over the past three years. To our Old Mutual colleagues in marketing, you ensured that Remchannel's brand continued to grow exponentially!

I know that HR Quarterly is in good hands. Our new editor, the incoming Managing Director of Remchannel, Lindiwe Sebesho, is a talented and astute reward professional with many years' experience.

What does the future hold for me? I'm looking forward to new challenges and opportunities, particularly in the technology space, which I am very passionate about. I'll be partnering with start-up companies, offering a variety of services in the Human Capital and Reward space, and will continue to contribute to Remuneration Committees of small and medium-sized enterprises. Being passionate about delivering value to clients, there are several solutions that I know will improve efficiencies, optimise operating environments and improve business processes. I look forward to engaging with many of you in the future.

**I have a dream to write a book about the Remchannel story, which deserves to be told.**

I also have a dream to write a book about the Remchannel story, which deserves to be told. It has been such an integral part of my career and development.

To my Remchannel family – I know that you will grow from strength to strength. The foundation is solid and the opportunities are endless!

I would like to finish by thanking everyone who has been a part of this wonderful journey. I am grateful for your support and friendship.

**René Richter**  
MANAGING DIRECTOR: REMCHANNEL®



## MEET LINDIWE SEBESHO

**Remchannel's new Managing Director Designate Lindiwe Sebesho brings a wealth of remuneration, performance and talent management experience to her new role. We chat to her about her vision for the business, and about the trends that are influencing the human capital industry.**

**QUESTION** Your track record in human capital, reward, performance, and talent management speaks for itself. How will you bring your skills and experience to bear at Remchannel, and what will your key focal points be?

**ANSWER** A new role offers great learning and growth opportunities. I've learnt a lot over the past couple of months, through the various engagements I've had with peers, colleagues, team members, and some of Remchannel's clients. Together with the team, we shall build on René Richter's exceptional leadership to provide our clients with total reward strategies that

address their business and talent challenges. Internally, we will focus on executing our long-term strategy enabling team engagement and driving performance.

**Q** In the never-ending war on talent, what does it take to attract, engage, and retain top employees, particularly in a changing labour landscape?

**A** My own experience of great leadership suggests that the best way to attract, engage and retain top talent is to demonstrate humility and a deep appreciation of the unique skills and contributions each team member brings to the success of the business. Practically, this translates to a leadership style that enables performance, ensures accountability, and fairly and responsibly rewards measurable outcomes that lead to the sustainable success of the individual, team, business and its clients.

**Q** Which trends will shape the human capital space over the coming decade, and how can companies prepare?

**A** The evolution of artificial intelligence (AI) will persist, ushering in profound changes across various sectors in South Africa and around the world. A key challenge lies in ensuring that AI is used ethically and responsibly. The development and deployment of AI technologies requires technical application skills, an understanding of its limitations, and the ethical risks thereof. We must acknowledge and address these challenges to ensure improved and sustainable benefits for all stakeholders. In the face of the AI revolution, embracing AI as a tool for augmenting human capabilities is not just a necessity; it is a strategic advantage.

**Q** Which values were instilled in you at an early age, and how do these come across in the work you do today?

**A** One of my former bosses, who remains my leadership mentor, taught me that how you make people feel is more important than what you say. Leaving people feeling empowered, enabled, supported, and acknowledged – despite the challenges we may face – is a critical part of leadership and I try to live up to this standard every day.

**Q** Are you optimistic about talent acquisition and retention in South Africa?

**A** Being a strengths-based leader, I believe every challenge is a continuous improvement opportunity. While I acknowledge the skills challenges we face, I'm encouraged by the abundance of potential and the opportunity this presents for us to refocus our development efforts towards creating more practical re-skilling and up-skilling opportunities.

# COMPANIES AMENDMENT BILL

WHAT DOES IT MEAN FOR REMUNERATION?



The Remchannel Executive Reward team comments on key aspects of the Companies Amendment Bill, which is intended to accelerate action towards addressing pay gaps in South African companies



**After a period of quiet, the Companies Amendment Bill is back on the table. As one of the primary aims of the Bill is to address the “achievement of equity between directors and senior management on the one hand, and shareholders and workers on the other hand, as well as addressing public concerns regarding high levels of inequalities in society”, one might correctly assume that these amendments are relevant for human resource executives, remuneration committee members and heads of reward/remuneration teams.**

The amendments usher in a new era of disclosure in the integrated report, giving the remuneration report legislative weight in terms of the Companies Act. Luckily, many of the amendments echo current practice and the requirements of King IV (and the JSE Listings Requirements), and the new wage gap disclosures required should be easy for companies ahead on their fair pay journeys to comply with.

The Remchannel Executive Reward team has been tracking these amendments since they were initially tabled and has participated in the public comment process. It's positive to see that some of the feedback provided has been considered in the new iteration of the legislation released in August.

## VOTING

The main changes, which pertain to voting on the remuneration report that are brought about by the Bill, are:

- The Bill amends the Companies Act to provide for the remuneration report (in the usual three parts) to be presented at an annual general meeting of a public company. This was not previously a Companies Act requirement (although the non-binding votes on the two parts of the remuneration report were required according to the JSE Listings Requirements).
- Separate ordinary resolutions (50% requirement) will be required to be passed for the remuneration policy (part 2) and the implementation report (part 3).

- Similar to English law, the remuneration policy may not be put into effect until approved by shareholders via the above mechanism. Once approved, the policy stands for three years, after which time it must be voted on again, unless material changes occur sooner, in which case the updated/new policy would need to be approved for the changes to be effective.
- Similar to Australian law (but with some significant differences), the implementation report also requires approval by ordinary resolution. If it's not approved, the remuneration committee must, at the next AGM, present an explanation of how shareholders' concerns have been addressed. The directors who serve on the remuneration committee will not be eligible to serve on the remuneration committee for three years thereafter (although they may continue to serve as directors).

## The amendments usher in a new era of disclosure in the integrated report

These new voting requirements represent a departure from the previous non-binding/advisory votes required under King IV/the JSE Listings Requirements. These required mandatory engagement if 25% or more negative votes were cast in terms of either the policy or implementation report.

Some shareholders may consider this a step backwards in terms of engagement, which was seen to improve after the introduction of the King IV regime. At the moment, it's also open to interpretation what would constitute “material changes” – although we can look to other jurisdictions for some idea of what this might look like, our local practice and interpretation may differ in light of the significant differences within our local legislation.

## REMUNERATION POLICY

While the voting percentage has shifted from the 75% required for the advisory vote to the 50% required for an ordinary resolution, the effects of failure are severe. There are, however, still a few areas of uncertainty, which the Remchannel team hopes will be clarified before the amendments are finalised. A key area is the lack of detail regarding what's required to form part of the remuneration policy.

## Remchannel's clients can own the narrative surrounding their fair pay journey, fulfilling the spirit of the amendments.

It's unclear how the binding vote on the policy is going to play out. Some predict that the move to the new regime might result in less detail being included in the remuneration policies to avoid situations where more detailed policies that are approved become unnecessarily restrictive. There is uncertainty, for instance, about how performance conditions and target disclosure (long a bone of contention in the disclosure world) will work, given the three-year timeline, or how discretion will be catered for.

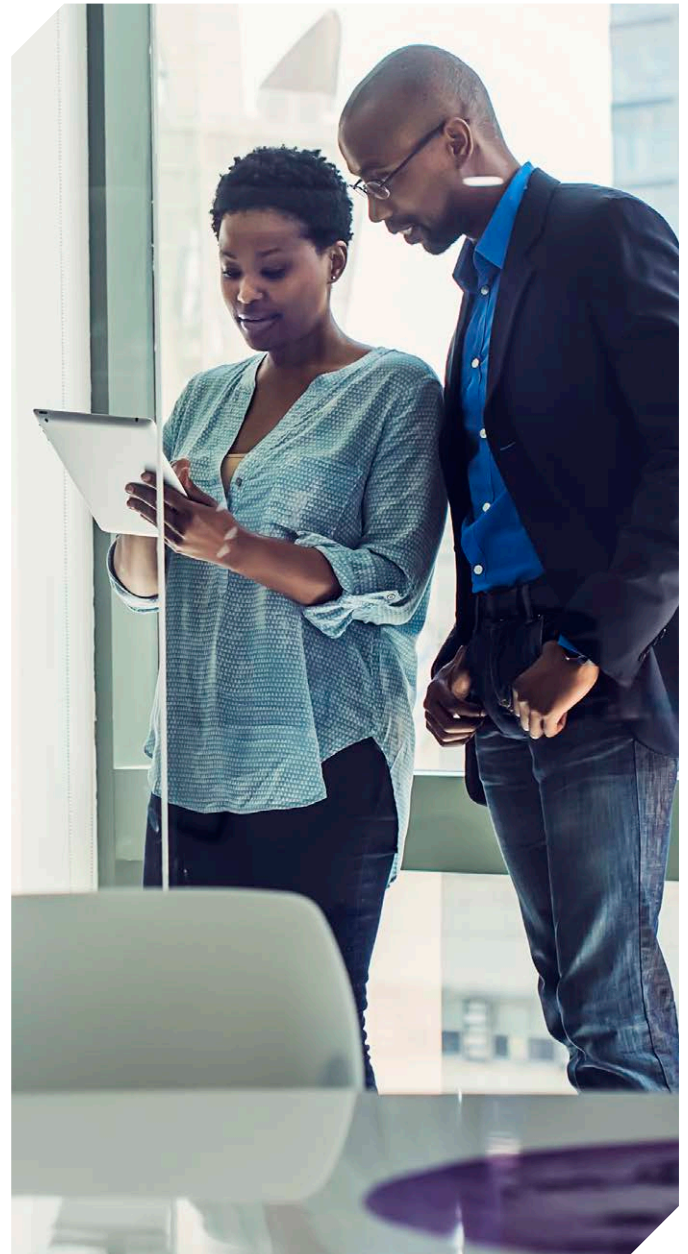
## WAGE GAP AND FAIR PAY

The main changes that pertain to wage gap disclosures required by the Bill are that companies disclose the:

- total remuneration for the highest paid employee (in terms of total remuneration)
- total remuneration for the lowest paid employee (in terms of total remuneration)
- average remuneration of all employees
- median remuneration of all employees
- remuneration gap reflecting the ratio between the total remuneration of the top 5% highest-paid employees and the total remuneration of the bottom 5% lowest-paid employees of the company.

In the Remchannel Executive Reward team's view, the required disclosures are the tip of the iceberg when it comes to fair pay, and again, there are areas of uncertainty where monitoring is required.

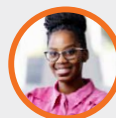
The team advocates for a comprehensive approach to fair and responsible pay, including robust policy development and ongoing monitoring on a macro and micro basis. It believes that by following this approach and reporting in a transparent and informative way, Remchannel's clients can own the narrative surrounding their fair pay journey, fulfilling the spirit of the amendments.



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# HOW MATERNITY LEAVE IMPACTS RETIREMENT OUTCOMES



South Africa's retirement savings landscape poses unique challenges for women. Adequate policies, support systems and financial awareness can help women navigate these to achieve better retirement outcomes.



**In South Africa, retirement savings are typically structured as a dual system. The first is the employer-sponsored pension, or provident fund, which receives contributions from both an employer and their employee. The second is a state pension, commonly known as the Older Person's Grant.**

While employer-sponsored funds are based on contributions made throughout an individual's working life, the state pension is intended to provide a safety net for those who have not accumulated sufficient savings during their lifetime.



### IMPACT OF MATERNITY LEAVE

Maternity leave is a period during which a working woman takes time off from her job or career to give birth, recover and care for her newborn child. The availability and length of the maternity leave period varies widely between organisations and countries.

Maternity leave is crucial for a variety of reasons, from allowing women to recover from childbirth and bond with their newborns to supporting a child's healthy development by enabling consistent care and bonding with their mother during the early months of life.

Organisations and sectors with adequate parental leave policies promote gender equality as they acknowledge the role of both parents in childcare, which can help to reduce the burden on women as the sole caregivers. However, the interruption of a woman's regular employment during this period can have unintended consequences on her retirement savings.



### RETIREMENT PREPAREDNESS FOR WOMEN

Retirement preparedness refers to an individual's financial planning prowess, and actions taken to ensure they have sufficient resources to maintain their desired lifestyle after they stop working. For women, retirement preparedness can be more challenging due to these four factors:

- Women often earn less, on average, than men, which means they have fewer resources to save for retirement.
- Women tend to have more career interruptions, often related to caregiving responsibilities such as maternity leave and raising children. These interruptions can affect their ability to accumulate retirement savings, and/or qualify for employer-sponsored benefits.
- Women typically have a longer life expectancy than men, which means that their retirement savings generally need to stretch much further.
- During maternity leave, an employee's contributions to the employer-sponsored retirement fund may decrease or temporarily cease, affecting the overall growth of their retirement savings. This reduction in contributions, combined with the potential loss of employer contributions, can lead to a substantial gap in their accumulated retirement savings.



### COMPOUNDING THE ISSUES

The retirement system and the challenges faced during maternity leave exacerbate the gender gap in retirement preparedness. Women often experience lower overall retirement savings due to factors such as wage disparities, career breaks for caregiving responsibilities, and longer life expectancies.

Maternity leave further compounds these issues as it frequently results in reduced contributions to retirement funds.

In the 2021 RemChannel Employee Benefits survey, 23% of participating employers did not provide fully paid leave for any period. This meant that no full benefit contributions during the maternity period. Another interesting statistic was that 25% of the participants provided partially paid maternity leave, which meant a related reduction in contributions. The average time off ranged between two and four months, with a payment range of between 30% and 50% of their monthly gross remuneration.

The consequences of inadequate retirement savings for women can be severe. Insufficient funds may necessitate reliance on state pensions as the primary source of retirement income, which may not be adequate to maintain a comfortable lifestyle. As a result, many women face financial uncertainty and an increased risk of poverty in their later years.



### DIRECT AND INDIRECT EFFECTS

Maternity leave can have both direct and indirect effects on female retirement preparedness. Its direct impact is that extended maternity leave or multiple breaks from work for caregiving can reduce earnings and contributions to retirement accounts, potentially affecting an individual's overall retirement savings.

## Maternity leave and female retirement preparedness are interconnected

On the other hand, its indirect impact is that career interruptions can hinder the accumulation of skills, promotions, and wage or salary growth. This can contribute to lower lifetime earnings and consequently reduced retirement savings.



### ADDRESSING THE CHALLENGES

What strategies can organisations consider to address the challenges of women's retirement inequality and preparedness? Firstly, they can improve their maternity leave policies by implementing longer and paid maternity leave periods to support women during caregiving without jeopardising their financial security.

Secondly, employers can offer support by exploring ways to maintain or supplement retirement contributions during maternity leave, ensuring that women do not face significant setbacks in their retirement savings. Voluntary contributions or flexible arrangements are beneficial here.

Offering flexible work arrangements can help women balance their careers with their caregiving responsibilities, reducing the need for extended career breaks. Further, encouraging spousal involvement in caregiving responsibilities – and financial planning within households – can help distribute the burden of a break from paid work more equitably.



Improved financial literacy and educational programmes empower women to make informed decisions about saving and investing for their retirement. Providing accessible resources and promoting awareness of retirement savings strategies can help bridge the gender gap in retirement preparedness.

Most importantly, policymakers should examine the retirement system and assess potential adjustments to better accommodate individuals during maternity leave. Innovative fund design may allow women to scale up contributions as their circumstances allow, while targeted unemployment insurance during periods of maternity could cover any gaps.

Further, a focus on early childhood development centres and/or the quality and availability of child-care options is critical to allow women to re-enter the workforce at similar levels and continue to contribute towards economic growth.



### MIND THE GENDER GAP

Retirement poses unique challenges for women, particularly those on maternity leave and those who take time away from the workforce to support their growing families. The impact on women is even more significant because a large proportion of South African women are single, or financial breadwinners, within their extended family.

Addressing maternity leave and its effects on female retirement preparedness is crucial in promoting gender equality, women's financial security, and overall societal well-being. Adequate policies, support systems, and financial awareness can help women navigate these challenges and achieve better retirement outcomes.



# WHAT TO LOOK FOR WHEN HIRING

How can business leaders and HR managers strike a balance between hiring for experience and hiring for potential?



**The objective of the hiring process is simple: to bring in a person with the right combination of skills, experience, potential and attitudes to best meet the requirements of the job. It's simple on paper, but the reality is that taking on a new hire is risky business, with no guarantees that the charming candidate with the dazzling CV will actually perform well.**

Some human capital executives argue that the safest option is to hire based on industry experience, while others lean towards hiring candidates with an innovative mindset and growth potential.

"To ensure the highest probability of success for both parties – that is, the employer and the employee – it's important that the prospective employee understands the job requirements, and that the employer finds the person who best fits those requirements," says Lindiwe Sebesho, Managing Director Designate at Remchannel. "Companies that hire with a view to combining

experience, skills, potential, attitude, and anything that the role requires for the person to be successful usually make the best hires. However, it's not an either/or – it's a combination."

### EXPERIENCE vs POTENTIAL

Effective hiring practices are important in a tough economy where the war for talent is especially fierce and staff turnover remains relatively high. Remchannel's October 2022 Salary and Wage Movement survey recorded overall labour turnover at 21.4%. Although that came down to 16.6% by the April 2023 survey, the fact remains that overall labour turnover across the organisations surveyed has not dipped below 15% – three out of every 20 employees' resignations – since the outbreak of the Covid-19 pandemic in March 2020.

**... call for the hiring process to be completely re-engineered.**

The disruptive effects of the pandemic have reshaped recruitment, prompting reward specialists like Sebesho to call for the hiring process to be completely re-engineered. "Trends indicate that hiring based on a candidate's wealth of experience remains important because it assumes that the candidate won't take too much time getting to know the organisation and the job to be done," she says. "That's great – but in today's world, the skills and experience that people have are often short-term because there's so much change in the environment and the way work is done is constantly influenced by new technologies. If companies don't consider their future skills requirements and focus only





on past experience – a reflection of what the candidate has done in the past – the hiring process may miss out on a candidate who has the potential to learn and apply future focused skills.”

Another strike against experience only is that companies sometimes try to replace a person who has done the job very well in the past. “In this case, the job spec is customised to the previous incumbent and does not appreciate the value that a new employee could bring in terms of fresh thinking, future-focused ways of doing things, newer technology, and so on – all of which come with the rapidly changing environment,” says Sebesho.

She warns, however, that hiring a candidate based solely on their potential and eagerness to learn is also a misstep. “The advantage is that such a person normally has the right energy, is willing to learn, adapts easily to the new skills requirements, applies fresh perspectives and tries things out,” she says. “The challenge, however, is that more hand-holding, guidance and coaching are required.”

Sebesho says the organisation or hiring manager would need patience to help the new hire appreciate key lessons from the past, or current practices, and merge those with the energy and skills they bring to do their job over the long term.

### CREATING AN EMPLOYMENT VALUE PROPOSITION

The key to striking a balance, and fostering an environment that encourages creativity among experienced staff while enabling high potential staff to grow and develop, lies in crafting what Sebesho calls “a meaningful employment value proposition”.

“It’s about the full life cycle of the employment relationship,” she says. “Building this relationship should not be limited to the hiring process. It should extend to making sure that new hires are properly onboarded, held accountable through clear performance objectives, enabled to perform through the appropriate learning and development, paid fairly for the work they do, and incentivised appropriately for exceptional performance, and if they move on through promotion or even exit, be off-boarded effectively so that they can remain ambassadors of the employer’s brand.”

**... it’s not an either/or – it’s a combination.**

The hiring process is the start of this relationship – but Sebesho emphasises it’s a journey. “That’s why it’s so important that the employment value proposition comes to life throughout the talent management lifecycle,” she concludes. “And it must be brought to bear by the organisation’s leadership behaviours, which create the everyday experiences around what all these things mean to their employees and teams, in the context of the business strategy.”



# HEALTHCARE: THE ESSENTIAL EMPLOYEE BENEFIT



Affordable health insurance is becoming an increasingly important part of companies' employee benefits packages – especially for lower-income workers.

According to the Council for Medical Schemes' Medical Schemes Industry in 2020 report, an overwhelming majority – just over 85% – of South Africans rely on public healthcare. Those public hospitals and clinics, however, are under-resourced and over-extended, with nearly 80% of doctors working privately. A 2018 Stellenbosch University survey found that 60% of doctors and nurses at Cape Town clinics failed to greet patients due to time pressure; and a 2021 KwaZulu-Natal Province State of Health Report found that even when patients rate more clinic staff (75%) as being friendly and professional, wait times due to staff shortages remain a massive challenge, with average waiting time once clinics have opened being just over three hours.

### WHAT EMPLOYEES EXPECT

Across sectors, employees look to their employers to play a meaningful role in ensuring they are as healthy as possible. According to the 2023 Edelman Trust Barometer Special Report: Trust and Health, this is true for most employees in the food and beverage (81%), tech (73%), retail (70%), financial services (65%) and – of course – healthcare (87%) industries.

And while many large companies are providing health cover to their higher-income employees, lower-income earners are still largely left to take care of themselves.

"Many large South African corporates already have medical-aid cover as part of their employee benefits packages," says Mkwebu. "However, not many companies can provide medical aid to all their staff. As a result, it makes sense for employers to consider subsidising health-insurance products that will help to close the healthcare gap for their employees that are currently not covered. It's still unclear how the government plans to execute its proposed National

Health Insurance (NHI) programme, or how this is going to be funded. An essential aim of NHI is to provide access to quality healthcare. Health insurance addresses this systemic challenge in the shorter term."

### FILLING THE HEALTHCARE GAP

Mkwebu believes that employers should consider health insurance as part of their employee benefits package. It's what employees expect, and it's undoubtedly to the employer's advantage. "For employers that have low-income earners, such as supermarket chains and security companies, there is a significant productivity benefit to be derived from providing health insurance to all their workers," he says. "It allows them to see a GP in a private capacity, receive the medication they require and return to work in a relatively short time."

Primary healthcare plans fill this gap, providing an affordable alternative to medical aid. As part of its Employee Benefits offering, Old Mutual Corporate facilitates access to Old Mutual Health Solutions – an affordable healthcare solution that covers Primary Care, Gap Cover, and related Ancillary products. Available as Old Mutual Health Solutions' health insurance and gap cover, these offerings are underwritten and administered by GENRIC Insurance Company Limited, an authorised Financial Services Provider and a licensed non-life insurer within the Old Mutual group of companies.

### OLD MUTUAL HEALTH SOLUTIONS

Old Mutual Health Solutions is aimed specifically at low-income earners, and is available to employees who earn up to R30 000 a month. And make no mistake: cost plays a huge role in South Africa's divided healthcare landscape. In Edelman's 2023 Trust Barometer Special Report, 75% of low-income

**"It has become clear that lower-income earners in the country need access to quality private healthcare,"**

**Humphrey Mkwebu, Old Mutual Corporate's General Manager: Employee Benefits Solutions.**

earners said that they cannot afford good healthcare. Linked to that, 90% of all surveyed South Africans said there is a gap between how well they are currently taking care of their health and how well they should be.

Old Mutual Health Solutions' entry-level option, Golden Hour Plus, provides two GP consultations per annum at a contracted network doctor, up to R1-million for in-hospital accident benefits per policy, up to R500 000 for in-hospital illness benefits per policy, unlimited 24/7 private emergency services and R1 500 of acute medications in a year, among other benefits. The cost for the main insured is only R260 a month, with R280 levied for an adult dependent and R155 for a child.

The next option, Comprehensive Standard, offers managed unlimited GP consultations, up to R750 000 in-hospital accident benefits per policy, up to R500 000 in in-hospital illness benefits per policy, unlimited acute and chronic medications and unlimited 24/7 private emergency services per year, among other benefits. This costs R400 for the main insured, R480 for an adult dependent and R215 for a child dependent.

Finally, Primary Standard Plus provides managed unlimited GP consultations, up to R1 million in in-hospital accident benefits per policy, up to R1 million in in-hospital illness benefits per policy, unlimited acute and chronic medications and unlimited 24/7 private emergency services, among other benefits. The top-tier product costs R440 a month for the main insured, R535 for an adult dependent and R235 for a child. It is worth noting that premiums may be adjusted every year.



### AN AFFORDABLE ALTERNATIVE

These tiered insurance products are distinct from medical aids as they do not cater for Prescribed Minimum Benefits (a set of defined benefits to ensure that all medical scheme members have access to certain minimum health services, regardless of the benefit option they have selected), nor do they offer comprehensive benefits. They do offer a range of day-to-day benefits, such as doctor visits and medication, with some also offering private hospitalisation within their benefit structures. However, as Mkwabu emphasises, the product is not intended as a replacement for medical aid, and employers who can afford medical aid should continue with it.

"If you can afford medical aid and have more comprehensive healthcare needs, then objectively, you probably should consider medical aid – not a primary care offering," Mkwabu says. "If you can't afford medical aid, but still feel access to a private GP and some form of in-hospital benefits if someone gets injured or ill is important, or still need access to acute or chronic medication, then this product may be for you."





# BENCHMARKS: HOW DO YOU MEASURE UP?

How to make strategic use of benchmarks when managing pay.



The strategic use of benchmarks can be a valuable tool for managing pay equity. By comparing pay practices to those of other organisations, business leaders can get a better appreciation of market trends and identify any potential gaps. This can help to safeguard that they put in place strategies to safeguard that all employees are paid fairly, regardless of their gender, race, or other discriminatory characteristics. To manage pay strategically, it is important to use multiple

benchmarks to get a more accurate picture of the remuneration landscape. When comparing remuneration, it is also important to consider the overall package, including salary, bonuses, and benefits offered. Employers should also be transparent with employees, making them aware of the benchmarks that are being used to assess equity; and employees should be encouraged to learn about the organisation's remuneration practices and provide feedback on them.

## CONSIDERATIONS AND ACTIONS

**When using benchmarks to assess pay equity, it is important to consider the following factors:**

**The specific job being benchmarked:** The remuneration for different jobs can vary significantly, so it is important to make sure that the benchmarks being used are relevant to the specific job being benchmarked.

**The location of the job:** The cost of living can vary significantly from one region to another, so it is important to use benchmarks that are specific to the location of the job.

**The organisation's size and industry:** The pay for different jobs can also vary depending on the size and industry of the organisation.

**Once an organisation has identified any potential pay gaps, it can take steps to address them. These steps may include:**

**Adjusting salaries:** If an employee is underpaid, their salary can be adjusted to bring it in line with the benchmark considering the affordability.

**Providing training and development opportunities:** If an employee is underpaid because they lack the skills or experience required for the job, they can be provided with training and development opportunities to help them close the skills gap.

**Creating a more equitable performance management system:** If an employee is underpaid because they are not being evaluated fairly, the organisation can create a more equitable performance management system.

While benchmarking is frequently only used when the salary review cycle starts, it can also continuously be used to identify areas where your organisation is excelling, as well as areas where you have room for improvement. Benchmarking data can also be a valuable tool for strategic planning, as it can help you to set realistic remuneration and benefits goals and develop strategies to achieve them.

## CREATING A SMART PLAN

Having the data available does not mean that it provides the necessary insight required to make strategic decisions. You need to analyse the data carefully and consistently. This will enable you to identify trends and patterns and focus on the areas where you may be at risk and to develop the action plans that you need for future improvement. The plans should be specific, measurable, achievable, relevant, and time bound.

It is important to choose your benchmarking partners carefully, so ask the right questions. Consider where you lose your talent, is it the same industry sector, or other industry sectors such as Information Technology in a highly digitised organisation. This will allow you to segment



## STRATEGIC USAGE OF BENCHMARKING DATA: KEY CONSIDERATIONS

**Identify areas for improvement.** Benchmarking can help you to identify areas where your organisation is underperforming compared to its peers. This can be useful for setting priorities for improvement and developing strategies to address them. For example, if you find that your customer satisfaction scores are lower than your competitors', you may want to focus on improving your customer service experience.

**Set realistic goals.** Benchmarking data can help you to set realistic goals for your organisation. For example, if you find that the average revenue growth in your industry is 10%, you can set a goal of achieving at least 10% revenue growth next year.

**Develop strategies to achieve your goals.** Once you have identified your goals, you can use benchmarking data to develop strategies to achieve them. For example, if you want to increase your revenue growth by 10%, you may want to focus on increasing your market share, launching new products or services, or expanding into new markets.

**Track your progress.** Benchmarking data can also be used to track your progress over time. This can help you to see if your improvement strategies are working and make adjustments as needed. For example, if you are trying to increase your customer satisfaction scores, you can track your scores over time to see if they are improving.

your benchmarking data to provide fair and meaningful comparisons. You need to have a complete picture of your organisation's performance relative to your peers. In addition to remuneration benchmarking, you may also want to consider industry reports, customer surveys and the financial statements of your peers.

Don't just benchmark against your direct competitors. Use benchmarking data to identify the best-in-class performance across all industries. This can help you to set more ambitious goals for your organisation.

# KEEP UP TO DATE WITH OUR LATEST INSIGHTS:

**Big Business Insights podcasts, hosted on Old Mutual Corporate's Resource Hub, includes a wealth of insights into the world of rewards and employee benefits.**

"I don't think employees are as loyal as they were in the past. I think that there's a focus that's been shifting over the past two years, to what is important to employees and not what is important to the employer."

It's a provocative statement, but one that Remchannel's René Richter backs up with data – and it's the kind of forthright, counter-intuitive insight you can expect from Old Mutual Corporate's Big Business Insights podcast series. The series, which is now in its second season, is available for free on Old Mutual Corporate's online Resource Hub.

Season 1 covered topics ranging from the future of work to insights around retirement savings and group retirement funds, mixing what business leaders and HR execs need to hear and what they want to know. The second season kicked off with a close look at National Treasury's proposed Two-Pot Retirement System, including how it might change the retirement and employee benefits landscape.

Big Business Insights is hosted by Old Mutual Corporate Consultants Managing Executive Blessing Utete, who speaks

to his guests and colleagues about the topics that matter most to his clients – who are, after all, business leaders.

To access the podcast, and to explore the Resource Hub's rich archive of podcast content, [CLICK HERE](#)

## LISTEN TO WEBINAR



**The Two-Pot System will have far-reaching consequences for retirement funds, their members, and participating employers, and we expect this topic to evolve as the regulations come into effect.**

At our recent webinar Remchannel Managing Director Designate Lindiwe Sebesho, Old Mutual Corporate Consultants Managing Executive Blessing Utete, and Old Mutual Retirement Reform Executive Michelle Acton provided expert insights into National Treasury's proposed changes to South Africa's retirement planning landscape

To access a recording of the webinar, [CLICK HERE](#)



Missed a copy of HR Quarterly? Not to worry catch-up via the REMchannel HR Quarterly Archive. [CLICK HERE](#)

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