



# THE TIGHTROPE OF COST vs COMPETITIVENESS

Championing  
gender pay equity  
in South Africa's  
workplaces



Insights to inform  
competitive  
pay strategies  
for 2026



The benefits  
that employees  
really want



Seven ways to  
win shareholder  
trust with  
remuneration reports



## UPFRONT

**03** FROM THE MD'S DESK  
A word from Lindiwe Sebesho

## SPOTLIGHT

**04** THE EMPLOYER TIGHTROPE  
Staying competitive in a tight cost economy

## TALENT

**08** GENDER PAY GAP  
Championing gender pay equity in South Africa's workplaces

**14** SALARY & WAGE MOVEMENTS  
Using last year's lessons to budget for 2026



12



REM  
channel

# HR QUARTERLY

CONTENTS

## GOVERNANCE

**20** REMUNERATION REPORTS  
7 remuneration practices that earn shareholder trust

## BACK PAGES

**24** NEWS & EVENTS  
Where we've been, workshops you can attend, and other updates

## ADVERTORIALS

**18** BENEFITS GUIDE  
The benefits employees really want

**26** TOTAL REMUNERATION MODULE  
Celebrating 25 years with an exclusive offer



## Cost vs competitiveness in a more stable world of work

BY LINDIWE SEBESHO,  
MANAGING DIRECTOR:  
REMCHANNEL



We've moved past post-pandemic experimentation to a new, more stable equilibrium in the employee benefits landscape – as revealed in our landmark 2025 Remchannel Employee Benefits Guide ([page 4](#)). Companies are, however, walking a delicate tightrope between the mandate to cut costs while maintaining a competitive employee value proposition to attract and retain top talent. In 2026, the question is not “What more can we offer?” – it is “What value can we derive, protect and defend for each rand we spend?” Get the full guide to understand how your business benchmarks against it.

Parity should remain a significant focus for organisations everywhere. Did you know that the World Economic Forum estimates it will take 123 years for worldwide gender parity to be reached at the current rate of progress? In South Africa, for every R100 a man earns, a woman takes home R72 – for the same work. Only 7% of women hold managerial roles; most are concentrated in lower- or semi-skilled positions – when they're in the workforce at all. For every man who is a “homemaker”, there are eight women. We clearly have a long road ahead if we are to create truly equitable workplaces – we explore this further in our “Championing Gender Pay Equity in South Africa's Workplaces” article on [page 8](#).

The October 2025 Salary and Wage Movement Survey shows that salary increases are consistently outpacing inflation, requiring careful, data-driven budgeting for 2026. Reward professionals should focus on benchmarking, performance-based increases, and scenario modelling to balance competitiveness and fiscal responsibility. On [page 14](#), in “Strategic Guide to Salary Increase Budgets”, Gizelle Erwee, Head: REMconsulting, converts the bi-annual movements survey into

actionable budgeting guidance to support more confident pay-cycle planning.

Remuneration governance is also under the spotlight. With pending changes to sections 30A and 30B of the amended Companies Act, Remcos and boards of listed and state-owned companies must enhance their remuneration report clarity to gain shareholder support. Transparent narratives that link reward strategies to business outcomes in a fair and responsible manner are essential. In “7 Remuneration Practices That Earn Shareholder Trust” ([page 20](#)), Garth Kallis, Consultant: REMconsulting, provides practical guidance on producing remuneration reports that do more than comply – they win votes.

Integrity and transparency are critical themes for this quarter's edition. They're also deep within our DNA as the core values that have guided us since our founding in 2000. As we embrace 2026, it is fitting to reflect on Remchannel's impressive 25-year journey. Our principles have shaped our approach to innovation – from the launch of REMeasure in 2000 to the unveiling of the Total Remuneration Module (TRM) in 2025 – demonstrating our commitment to evolving with our clients' needs and the reward landscape.

As part of this commitment, we're offering complimentary TRM access for 2026, helping you to enhance your organisation's pay strategy at no cost. Email [Louna.Robbertse@remchannel.com](mailto:Louna.Robbertse@remchannel.com) to claim your complimentary subscription.

We hope this edition provides practical direction for the year ahead.

Thank you for your ongoing support as we look forward to another year of shared achievement. Read on and share your thoughts with us! ///



BY LINDIWE SEBESHO,  
MANAGING DIRECTOR

Employers walk a tightrope between staying competitive, extracting value, and justifying every rand they spend on remuneration and rewards.

# The employer tightrope of cost vs competitiveness

Insights from the 2025 Remchannel employee benefits survey show employers being challenged to prove the value of every rand spent on pay and benefits.

Keeping with global standards, South African employers are reassessing how pay and benefits decisions are made as cost pressure, governance scrutiny and transparency developments reshape reward strategies.

Data from our biennial 2025 Remchannel Employee Benefits Guide shows that this reassessment is translating into concrete trade-offs, with employers pulling back from broad, non-statutory extras and favouring total remuneration that can be measured, defended and linked to sustainable performance.

Critically, employers aren't walking away from ensuring competitive employee value propositions. They're being challenged to prove it, not just for attracting and retaining talent by meeting their diverse needs, but to multiple stakeholders. Every element of remuneration, from guaranteed pay competitiveness and performance-based incentives to flexibility, wellness and parental support, now has to justify its cost, its sustainable impact and its risk.

What the data reflects is not a retreat from total reward investment, but a repricing after several years of disruption, as employers test which elements of the employee value proposition

genuinely support productivity, engagement and delivery.


The shift does not reflect a single policy decision or a board-led reform agenda. Rather, it points to a system-wide response to tighter budgets and evolving regulation, including pending remuneration amendments in the Companies Act, which will sharpen remuneration committee accountability for pay and benefit decisions, especially in public and state-owned companies.

Management teams are revisiting reward structures under strategic and operational pressures that require skilled talent, while boards and remuneration committees act as the approving and accountable layer, asking harder questions about cost, value creation impact and reputational consequences.

## DISCIPLINE RATHER THAN DEPRIVATION

The 2025 survey captures this recalibration across several dimensions of the employee value proposition. Underpinning it is a growing recognition that reward decisions now sit firmly within the governance framework of organisations, with consequences that extend beyond HR's traditional mandate of attraction, motivation and retention of talent.

One of the clearest trends in the 2025 data is the decline of additional guaranteed, cash-like benefits that expanded rapidly during – and



THE BETTER QUESTION FOR 2026 IS NOT  
“WHAT MORE CAN WE OFFER?” – IT IS “WHAT  
VALUE CAN WE DERIVE, PROTECT AND DEFEND  
FOR EACH RAND WE SPEND?”

immediately after – the pandemic. According to the guide, the share of employers offering formal sign-on bonus policies fell from 52.1% in 2023 to 28.3% in 2025.

In practice, this has driven a shift away from paying for promise based on past experience towards paying for actual delivery. Upfront rewards are increasingly being replaced with incentives that vest only once performance against set targets has been demonstrated. Employers would rather reward after delivery of clearly defined performance outcomes. Shareholders, in particular, do not support payments for value that has not been created.

However, we caution against interpreting these changes as cost-cutting for their own sake. What we're seeing is a shift towards disciplined execution. In some cases, sign-on bonuses were added very quickly for talent attraction purposes without clear measures of impact or fairness, and employers are now correcting that.

That discipline is evident in what employers choose to remove and what they actively protect. Benefits that underpin employee wellbeing, such as access to healthcare or meaningful retirement provision, continue to be prioritised to mitigate longer-term risk. By contrast, there is a clear reduction in broad, untargeted perks and a reinvestment in benefits that support productivity, culture and retention. This reflects a different set of priorities.

## REWARD DECISION UNDER SCRUTINY

Cost pressure alone does not account for the changes reflected in the survey. Governance and transparency are playing a growing role, with tighter accountability under the Companies Act sharpening scrutiny of how pay and benefits decisions are made and defended.

These decisions are now more visible, more contested and more likely to attract public and shareholder attention. There's a lot that can go wrong and end up damaging trust, and no one wants to be associated with decisions that carry reputational risk.

As a result, boards and remuneration committees are placing greater emphasis on measurable outcomes and clearer differentiation, asking tougher questions about why rewards are structured differently across roles, and whether those distinctions can be credibly explained.



### CONTACT US FOR MORE INFORMATION

Our Remchannel 2025 Employee Benefits Guide provides an exhaustive analysis of current remuneration trends and company policies, with 60 companies surveyed, collectively employing 404 423 individuals. It's a critical resource for organisations to understand how you benchmark, innovate your offerings, and continue to balance cost vs competitiveness. We're proud to be your partner in navigating the new world of work. Contact [Louna.Robbertse@remchannel.com](mailto:Louna.Robbertse@remchannel.com) for the full guide.



## EVERY ELEMENT OF REMUNERATION NOW HAS TO JUSTIFY ITS COST, ITS SUSTAINABLE IMPACT AND ITS RISK.

### REWORKING FLEXIBILITY

Hybrid work arrangements provide another example of how post-pandemic experimentation is being reassessed. According to the 2025 survey, 40.7% of hybrid organisations prescribed specific in-office days in 2023. By 2025, 67.4% required at least three days in the office, and 41.3% had increased minimum office day requirements.

The early assumption that flexibility automatically equals productivity has weakened in some instances. Employers have become less confident that work-from-home arrangements consistently deliver the desired outcomes, particularly where accountability and performance measurement are unclear. This has prompted a shift towards clearer rules and stronger links between autonomy and output.

### WELLNESS, WITH SHARPER FOCUS

Despite constrained budgets, wellness has not been deprioritised. Employee wellness is ranked as the most important benefit category by perceived importance, according to the latest survey.

What has changed is delivery. Health-related benefits are becoming more targeted, with increased focus on interventions such as cancer screening, fertility programmes and peri- and menopause support, often delivered through medical aid structures or internal programmes. Inclusivity is being addressed more explicitly through policy, with growth in benefits such as same-sex medical aid cover and sick leave linked to gender-transition procedures.

By contrast, traditional financial supports such as soft loans and cash advances declined from 40.4% of employers in 2023 to 31.7% in 2025, while 20% of participating organisations have implemented earned wage access, allowing employees to access a portion of wages already earned before payday as an alternative way of addressing financial stress or reducing reliance on expensive debt.

Wellness is still seen as critical but employers are being more deliberate about the solutions that have the greatest impact.

### OTHER KEY FINDINGS FROM THE REPORT

- **Maternity benefits:** Fully paid four-month maternity leave declined from 58.5% to 41.7%.
- **13<sup>th</sup> cheques:** Prevalence declined from 62.8% of employers in 2023 to 53.3% in 2025.
- **Notice periods:** 66.7% of employers now differentiate notice periods by seniority, often extending beyond the statutory four weeks for senior management.
- **Overtime management:** The 2025 survey introduced an overtime ratio to track overtime relative to regular hours, but only 11.7% of organisations currently set formal targets.

Taken together, the findings point to a shift in the fundamental question employers are asking about pay and benefits. The better question for 2026 is not “What more can we offer?” – it is “What value can we derive, protect and defend for each rand we spend?”

Employers are shifting attention from intent to outcomes, with benefits increasingly evaluated based on measurable impacts such as productivity, retention, health and performance. They're also weighing each benefit's ability to mitigate risks like burnout or turnover, and to be transparently and credibly explained to employees, shareholders and the public.

The same discipline is increasingly evident in incentive design, where performance must clearly justify reward. What ultimately matters is whether reward decisions deliver outcomes. If they don't improve productivity or sustainable performance, or if they can't be explained and defended, they don't belong in the EVP. ///



Legislation is most powerful when matched  
with individual agency.

# Championing gender pay equity

## *in South Africa's workplaces*

How women and employers can push for parity alongside policy and regulatory advancements.

**D**espite decades of progress, South Africa's gender pay gap remains a persistent barrier to true workplace equality. Here, we examine the current state of pay inequity, unpacking its root causes, and offering practical strategies for advancing gender parity.

### THE GENDER PAY GAP IN 2025: WHERE DO WE STAND?


According to the World Economic Forum's (WEF) Global Gender Gap Report 2025, South Africa ranks 33rd out of 146 countries in the index, showcasing significant progress in political representation but revealing persistent economic disparities.

UN Women's 2023 report on the nation's gender pay gap found just 37% of women are employed versus 48% of men, while the National Business Initiative revealed that women earn R72 for every R100 earned by men for the same work.

These figures underscore that economic participation and pay equity remain critical challenges. UN Women found that South Africa's unadjusted gender pay gap sits at 32.5% at a monthly level and 20.1% at an hourly level, highlighting the impact of women working shorter hours as well. The adjusted gap increases up the wage ladder, signalling a strong glass ceiling effect. This is further shown by the 2023 Commission for Employment Equity (CEE) report, which found male representation to be two-and-a-half times that of female representation at top management level.



BY LINDIWE SEBESHO,  
MANAGING DIRECTOR:  
REMCHANNEL



# The persistence of pay disparities is not only an economic concern but a question of fundamental fairness.

At the current rate of progress, the WEF estimates it will take 123 years for the world to achieve full gender parity, with South Africa reflecting stubborn issues in terms of closing local gaps.

## WHAT'S DRIVING THE GAP?

The disparity in gender-based pay emerges from a web of historic, systemic, and individual factors. Key contributors include:



**Occupational segregation:** According to data from Statistics South Africa's (Stats SA) Quarterly Labour Force Survey (QLFS) for Q2 2025, almost a third of all employed women work in community and social services, followed by 21% in the trade sector. Just 7% of women held managerial jobs, with many concentrated in lower- or semi-skilled roles. Just 3 in 10 managerial roles globally are held by women, as reported by the International Labour Organisation, which also found women represent under 40% of all wage employees, but 50% of low-paid wage workers.



**Career interruptions:** Stats SA also found that for every man staying out of the labour force as a "homemaker", there were eight women in the same position. The female unemployment rate stood at 35.9% vs 31% for men. Women in South Africa frequently face career breaks due to maternity leave, caregiving responsibilities, and family obligations. These interruptions reduce lifetime earnings and also slow career progression and earnings growth, making it harder to advance into senior roles or achieve higher pay.



**Negotiation gaps:** Remchannel's Salary and Wage survey findings indicate that only about 30% of women actively negotiate their starting salaries, compared to 58% of men. Men are more likely to negotiate, perform better in negotiations, and are less stressed about being taken seriously. These patterns underscore the importance of equipping women with negotiation skills and fostering organisational cultures that encourage equitable salary discussions.



**Lack of pay transparency:** Just Share found that 13 of the JSE Top 40 companies disclose measurable gender pay gap data. South Africa's proposed Fair Pay Bill may profoundly change pay practices by focusing on mandatory recruitment related pay disclosure, plus giving employees the right to discuss their own remuneration.



**Bias in evaluation:** Unconscious and systemic bias in recruitment, performance reviews, and promotion processes continues to disadvantage women. For example, a LinkedIn study on the role of gender in hiring bias found females are less likely, on average, to be called back for interviews than men.



**Societal and structural barriers:** In South Africa's unique social context, intersecting factors such as race, rural/urban divides, and access to education intensify gender pay inequities. The legacy of apartheid and ongoing socio-economic inequalities compound these challenges, with Black African women often facing triple discrimination – on the basis of race, gender, and class.



## REGULATORY FRAMEWORK AND DEVELOPMENTS IN PAY EQUITY

South Africa's workplace equity is governed by a tightening legal framework. The Employment Equity Act (EEA) mandates non-discrimination and affirmative action, with 2025 amendments introducing sectoral numerical targets across all occupational levels, non-compliance risks audits, heavy fines, and reputational damage. Further regulatory checks have been instituted through amendments to the Companies Act, specifically Sections 30A and 30B, which are yet to become effective. Section 30A obliges public and state-owned companies to disclose wage differentials between the highest and lowest earners in their annual remuneration reports. These disclosures are subject to shareholder approval through a "two-strike" mechanism, whereby repeated rejection of the remuneration report leads to mandatory accountability and potential remuneration committee restructuring.

The proposed Fair Pay Bill, currently under parliamentary review, adds another layer of oversight. It will oblige organisations to conduct independent pay audits, disclose salary ranges, and document corrective actions for unjustified pay disparities.

Supporting these legislative advances are independent advocacy groups and labour unions, which act as external watchdogs.

Further exacerbating the issue, the informal sector plays a significant role in South Africa's economy,

with 27% of women working in the informal sector, private households or for someone else for pay, with no pension, medical aid, or written contract.

These factors show that the gender pay gap in South Africa is particularly complex and entrenched in our labour market. Addressing it requires multifaceted solutions.


## PRACTICAL STEPS: HOW WOMEN CAN CLOSE THE GAP

Legislation is most powerful when matched with individual agency and personal action. Here are some actionable steps women can take to empower themselves economically:

- **Leverage your organisation's remuneration policy and procedures:** Master your company's pay, performance, and incentive policies. Understanding the criteria used for determining the value of roles, pay, incentives and performance evaluations empowers you to meet expectations, identify growth opportunities, and ensure your achievements are fairly rewarded. Use these resources – including any information you can find on salary bands – to know your role's internal value and your remuneration in the salary range. This will help you spot any discrepancies or potential for progression.
- **Document your achievements:** Maintain a thorough results-based record of your contributions to your employer, significant projects, and performance reviews to support your case during performance and reward discussions.
- **Assertive communication:** Prepare for pay negotiations. Practise stating your expectations clearly and confidently, referencing pay-policy-based data and your documented achievements.
- **Monitor organisational performance and compliance:** Stay informed about your employer's performance and reporting obligations. If required, request access to public wage differential disclosures, and use this data to advocate for yourself with reference to the organisation's policies and procedures.







At the current rate of progress, the WEF estimates it will take 123 years for the world to achieve full gender parity.

- **Strategic timing:** Align discussions about pay with organisational results, budget cycles or performance reviews, when salary adjustments are most likely to be considered.
- **Engage advocates:** Don't hesitate to seek support from mentors, professional networks, or unions, especially those actively involved in pay equity advocacy. These groups can provide guidance, amplify your voice, and even intervene on your behalf when necessary.
- **Leverage legal rights:** Become familiar with the Employment Equity Act and your organisation's compliance obligations. If you suspect pay discrimination, you have the right to request transparency from your employer and, if needed, to seek recourse through the relevant internal and external employment relations structures.
- **Continuous professional development:** Invest in upskilling and leadership training; many organisations now offer such opportunities in response to equity legislation. Position yourself strategically for advancement through ongoing learning, exceptional performance and increased visibility.

## A CALL TO ACTION FOR EMPLOYERS

While individual agency is crucial, closing the gender pay gap requires systemic transformation. The persistence of pay disparities is not only an economic concern but a question of fundamental fairness. South Africa, like many countries, has enacted progressive legislation and reporting obligations to drive equity in the workplace, yet meaningful progress demands active participation from employers.

This includes:

- 1 **Pay equity audits:** Regularly review pay structures in compliance with local

regulations and international standards, addressing any unjustified disparities. Transparent audits demonstrate a commitment to pay equity laws.

- 2 **Report transparently:** Meet regulatory requirements by including gender pay gap disclosures in annual remuneration reports and internal policy communications. Responsibly sharing data and targets fosters accountability and builds trust among employees.

- 3 **Support career progression:** Develop mentorship, leadership pipelines, and inclusive succession planning to address not only pay gaps but also opportunity gaps, ensuring equitable advancement for all. Ensure performance management is robust, with effective systems that recognise achievements and reward high performance fairly.

- 4 **Adopt flexible work policies:** Implement gender-neutral parental leave and flexible or hybrid work models, supporting the retention and advancement of women, especially in light of equity-focused legal frameworks.

- 5 **Communicate and train on remuneration policy:** Ensure employees understand how pay is determined by providing clear communication and training around remuneration policies, covering both fixed and variable elements, and the processes for review and appeal, as required by regulatory standards.

By aligning workplace practices with the evolving regulatory landscape and the wider call for equity, employers become pivotal partners in closing the gender pay gap, transforming legislative intent into lived reality.

Closing the gender pay gap is not merely a regulatory requirement, but a catalyst for economic advancement, social justice, and organisational excellence.

By uniting our efforts, we pave the way for a future where equity is embedded in both policy and practice, making pay parity a reality for generations to come. ///



# Strategic guide to salary increase budgets

Remchannel Salary and Wage Movement insights can inform competitive pay strategies in 2026.



GIZELLE  
ERWEE. HEAD:  
REMCONSULTING

**H**R and business leaders, along with governance committees recalibrating reward strategies for 2026, can draw insights from Remchannel's October 2025 Salary and Wage Movement survey. Representing 66 South African organisations, collectively employing approximately 336 000 employees, the data provides a deep dive into workforce sentiments and market trends. Here is 2025's data to reflect on:

## SALARY MOVEMENTS

Most organisations awarded increases ranging between 4.7% to 5.7%. This reflects cautious optimism, balancing inflationary pressures and

budget constraints against the need to attract and retain top talent.

- Basic salary is most commonly used as a base for increases for unionised staff who received increases averaging 6.29% in 2025.
- Total package increases over the past 12 months averaged 5.47% (across the companies that review on total package as opposed to basic salary).
- Average total package increases for the next year are forecast to range from 5.3% to 5.6% across employee categories.

## INFLATION VS. INCREASES

Recent salary increases have frequently exceeded inflation, with some sectors surpassing 6%. However, with 2026 CPI forecast to remain below 5%, organisations may moderate future increases. This adjustment must be handled carefully. Without a robust retention strategy, firms risk losing key talent particularly pay-motivated early-career employees.

High resignation (28.6%) further underscores the strategic need to prioritise retention. As employees increasingly seek flexibility, reward frameworks must become more agile and multifaceted. Beyond competitive pay, staff value career mobility, hybrid work, and wellbeing support. To maintain engagement, employers are increasingly leveraging non-financial levers, such as enhanced benefits, mentorship, and career development and upskilling programmes.

## TIMING AND STRUCTURE TRENDS

Key trends in the timing and structure of annual salary reviews:

- Annual increases typically occur in January, April and July for most staff, while unionised cycles favour April and July. These cycles have been stable over time, underscoring the importance of aligning budget processes with established review periods.
- Most companies adopt a hybrid approach, combining inflationary adjustments with performance-based increases.
- Executive and management staff typically have performance-linked increases, while unionised employees generally receive negotiated increases independent of individual performance, with 68.6% of the participants reporting this approach.
- Salary increase negotiations are shifting from minimum pay rates toward minimum percentages or fixed monetary increases, often influenced by collective bargaining agreements or sectoral determinations.
- Top performers consistently receive above-average increases, with many organisations further differentiating through short-term incentive schemes or performance bonuses.

- Minimum starting salaries for graduates and matriculants are increasingly determined by job grade; most organisations position new entrants at the bottom of the scale for the relevant grade.
- Over 77% of companies say that they conduct fair pay analyses annually. Most do not yet disclose the outcomes externally.

## FIVE PAY STRATEGIES FOR 2026

For 2026, employers must balance market competitiveness with fair treatment of employees, using data-driven strategies to align pay structures with organisational goals and industry norms. Our recommendations are:

- 1 Design differentiated pay strategies: Customise reward to distinct employee categories, critical skills, and retention priorities.
- 2 Align with market trends and statutory requirements: Ensure compliance while benchmarking against industry norms to remain competitive.
- 3 Integrate workforce expectations: Build reward frameworks that incorporate tailored and responsible benefits, flexibility, wellbeing, and career mobility alongside pay.
- 4 Compete to retain top talent with short-term incentive schemes or performance bonuses. Tailor this strategy to focus on employees with critical skills and have robust performance management processes in place to inculcate excellence.
- 5 Advance transparency and fairness: Disclose pay equity analyses and foster trust through open communication on strategies to address any historical gaps.

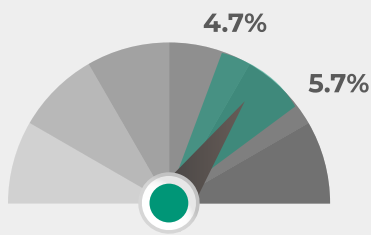
### Is it time to rethink your reward strategy?

Remchannel's Salary and Wage Movement survey insights are a good reference for organisations that want to critically examine their reward strategies and systems. The findings provide a framework for developing robust mechanisms that will help attract and retain talent in 2026 and beyond. For more details on how we can support you with your review, contact Gizelle Erwee at [Gizelle.Erwee@remchannel.com](mailto:Gizelle.Erwee@remchannel.com). ///

# At a glance

The Remchannel October 2025 Salary and Wage Movement Survey Report.

## Salary movement patterns



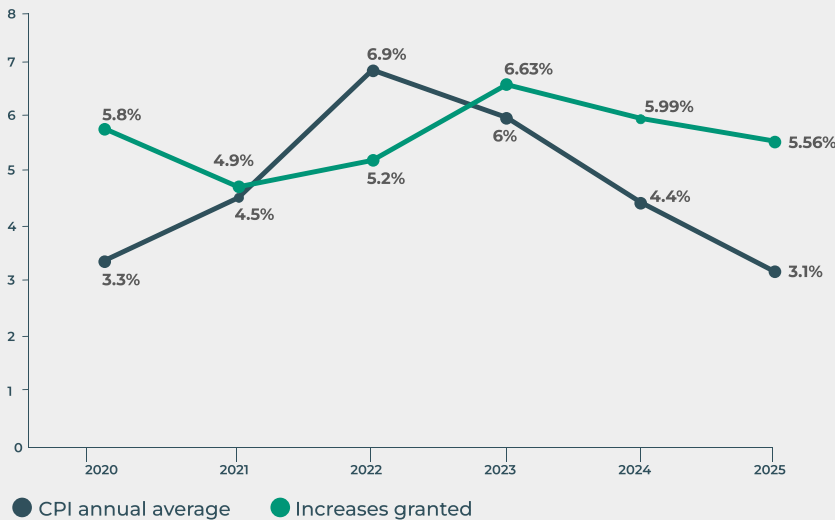
Most organisations reported **salary increases** in the **4.7% to 5.7% range**.

Between **5.3%** and **5.6%**

Average total package increases anticipated for the next 12 months.

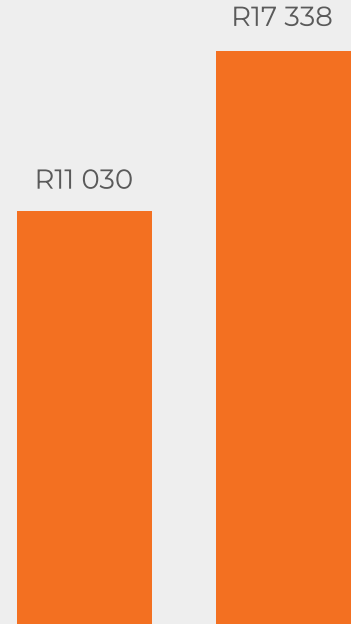
(with fluctuations between different industries and employee levels).

## Salary increases vs inflation



## Minimum rates of pay for unionised employees

The average agreed minimum rate for unionised workers across industries was **R11 030** for companies that review on basic salary, and **R17 338** for the total package review companies.



**66** organisations surveyed, collectively employing **336,400 people** across South Africa.

Source: Remchannel's Salary & Wage Movement Survey Report – October 2025

## Productivity and workplace dynamics



**77.3%**

of employees are looking for **more flexibility** at work.

## Pay transparency

**>77%**

of companies conduct a **fair pay analysis annually**.

However, most do not disclose outcomes externally.

Contact us via email at [Louna.Robbertse@remchannel.com](mailto:Louna.Robbertse@remchannel.com) for more detailed insights or to participate in the next survey to get a full report.

## Labour turnover trends



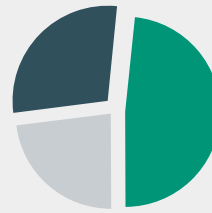
**20.7%**

The average annual **employee attrition**

(marginally lower than last year's 21.3%).

## Top reasons for termination

**28.6%**  
Resignation



**48.3%**  
Non-renewal  
of contract

Employees with **less than five years of service** accounted for **over 60% of all departures**, highlighting the need for robust induction, mentoring, and career progression strategies.



## Key drivers of resignations



**Limited advancement opportunities.**



More **attractive pay offerings.**

# The benefits employees really value

Benchmark your business against critical insights from the 2025 South African Employee Benefits Guide.

The 11<sup>th</sup> edition of Remchannel's prestigious South African Employee Benefits Guide provides a comprehensive analysis of current pay and benefits trends and corporate policies across various industry sectors. This extensive report details statutory and discretionary provisions and strategic benefits including leave, retirement funding, and medical benefits. It also examines modern workforce shifts such as hybrid work arrangements and employee wellness initiatives.

There's also a view of competitive remuneration structures, including guaranteed pay, performance-based incentives, and scarce-skills premiums designed to attract, motivate and retain talent. Additionally, the insights cover operational allowances for travel, relocation, and shift work, testing alignment with the Basic Conditions of Employment Act and related differentiators. Here's a brief overview of what the report covers.

## 1 What is the purpose of the guide?

The guide showcases the pay and benefits programmes leading organisations are leveraging to stand out, attract top talent, and keep their people engaged and productive – all within an intensely competitive and skills constrained market. As a business leader, these insights empower you to understand how your organisation compares – so that you can ensure that you're offering the pay and benefits that truly matter to your people in a cost-effective manner.

## 2 What is the size of the sample?

The sample includes 60 organisations, representative of several industries and company sizes. The organisations range from fewer than 50 staff to over 20 000. Together, they employ 404 423 individuals across the country.

## 3 Who is the guide most useful for?

This guide is an essential resource for employers, oversight committees, business executives, HR professionals, policymakers and employees alike. It delivers powerful benchmarking insights that reveal what top performers value most – because understanding what talent wants is how you stay ahead in a competitive labour market.

## 4 What are the top benefits most desired by participants in 2025?

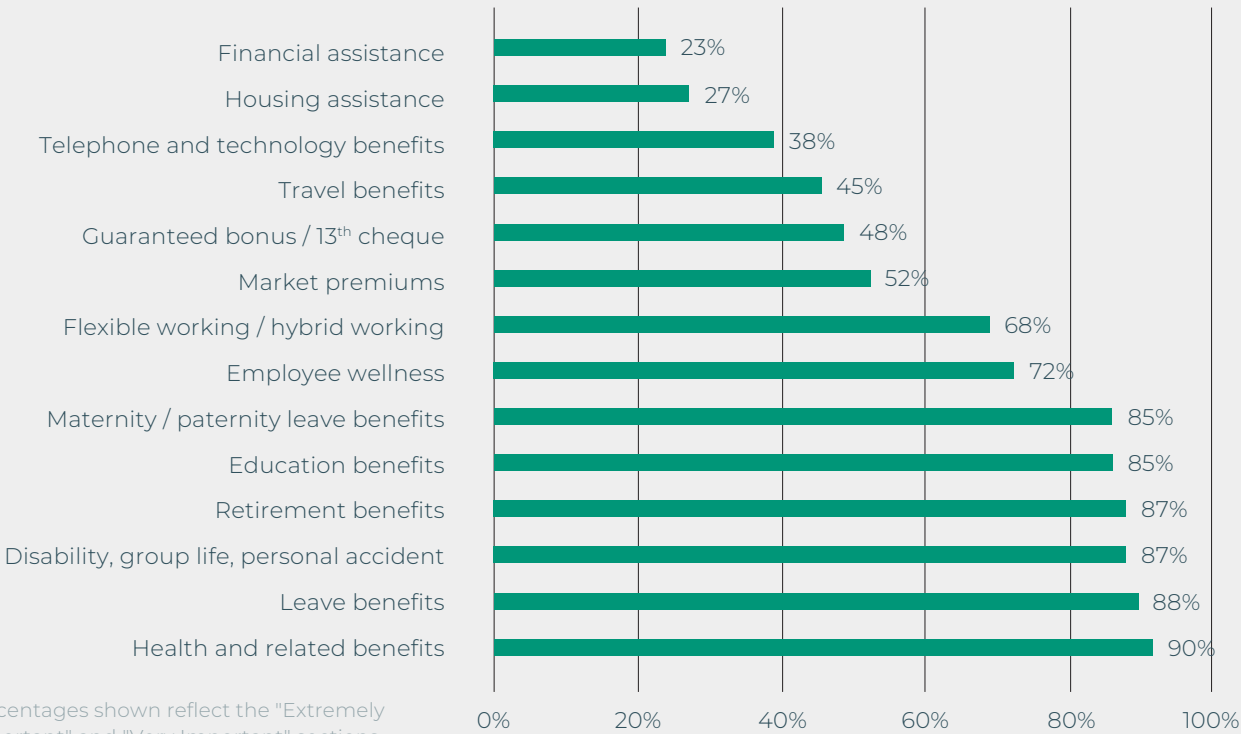
- Health and related benefits
- Leave benefits
- Disability, group life, personal accident benefits
- Retirement benefits

## 5 How many organisations offered a medical benefit to employees?

93% (56 out of 60 participants).  
100% of all organisations in the technical/manufacturing sector offered this benefit.



IMPORTANCE OF BENEFIT CATEGORIES – PARTICIPANT-RATED



**6 How many organisations offered disability cover and life cover?**

**DISABILITY:**

- 50% provided a lump sum benefit for permanent disability.
- 86.7% provided an income disability benefit for temporary disability.
- 41.7% had both lump sum and income disability benefit policies.

**GROUP LIFE:**

- 97% (58 out of 60) offered a group life benefit – all except two organisations.

**7 How many leave days do most employers grant, and does this vary across employee levels?**

Employers offer an average number of leave days varying between 17 and 24 days, with some offering up to 45 days of leave per year. And yes, the averages for top management and experienced employees trend higher.

**Find out which benefits speak to your staff. Email us at [Louna.Robbertse@remchannel.com](mailto:Louna.Robbertse@remchannel.com)**



# 7 remuneration practices that earn shareholder trust

With shareholder voting on remuneration reports soon becoming binding, building trust is now more important than ever.



GARTH KALLIS,  
CONSULTANT:  
REMCONSULTING AT  
REMCHANNEL

**A**s we await the effective date of the remuneration-related sections of the Companies Act amendments, it is worth discussing the increased power shareholders will soon hold under Section 30B. Voting on the remuneration report will become binding and will require approval by ordinary resolution. Earning shareholder trust is now more important than ever to ensure remuneration reports are accepted. In our engagement with clients and institutional investors, we have noted seven themes consistently impacting trust:

**1 Investors remain focused on excessive executive remuneration.** Many investors, including Allan Gray, believe that both guaranteed and variable remuneration should not materially exceed the median, or 50<sup>th</sup> percentile, for comparable roles in comparable companies. They may raise questions, particularly when factors like these are present:

- Awards vesting in a suppressed share price environment
- Awards vesting after performance conditions or targets have been adjusted downwards
- Upward discretion being applied to awards

**IMPLICATION:** Regularly conduct remuneration benchmarks using credible, validated and comparable data to inform pay decisions, analysing both guaranteed and variable remuneration components.

Consider quantitative data alongside qualitative factors such as company culture, strategic objectives and market positioning, and interpret results within the context of your business strategy, financial performance and long-term goals rather than relying solely on market medians or averages. Document the rationale for benchmark selection and any deviations from market data, as transparency in this process will further build shareholder trust.

Engage proactively and transparently with shareholders on any unusual remuneration practices, particularly in relation to executive pay. This is especially critical in scenarios such as awards vesting in a suppressed share price environment, adjustments to performance conditions or targets, or the application of upward discretion to awards.

**Effective engagement should include:**

- Early and clear communication: Clearly explain the rationale behind any atypical remuneration decisions.

- Detailed disclosure: Provide comprehensive disclosures about the circumstances leading to such practices, the principles guiding discretionary actions, and the process followed for approval.
- Stakeholder dialogue: Invite shareholder input and address concerns directly, especially where decisions may diverge from standard practice or market norms.

**2 Shareholders expect a balanced mix of financial and non-financial performance conditions, reflecting a holistic approach to executive accountability.** They look for remuneration frameworks that drive financial results while incentivising leadership to address broader priorities such as environmental, social, and governance (ESG) performance, employee engagement, and long-term sustainable value creation. Executive performance should be measured across multiple dimensions.

Incorporating quantitative financial metrics and qualitative non-financial measures shows a commitment to responsible business practices and strengthens alignment between executive and shareholder interests. Ninety One states in its voting policy that it may vote against remuneration resolutions if the approach fails to ensure appropriate remuneration related to the management of environmental and social risks and impacts.

**IMPLICATION:** Design executive remuneration frameworks to integrate financial and non-financial metrics. Ensure that each metric is clearly defined, measurable, and aligned with the company's long-term objectives. Define the purpose and weighting of each measure within the report, explaining how it supports responsible leadership and sustainable value creation. Regularly review and update these metrics to reflect evolving shareholder priorities and market trends and provide transparent disclosure of performance outcomes against both financial and non-financial targets.

**SHAREHOLDERS LOOK FOR REMUNERATION FRAMEWORKS THAT INCENTIVISE LEADERSHIP TO ADDRESS BROADER PRIORITIES.**



**3 Shareholders want transparency.** Disclosing the targets used to assess executives' performance and the methodology applied in determining the value of executives' performance-based awards is becoming increasingly important.

**IMPLICATION:** Clearly articulate the rationale for the selected metrics, linking them to the company's strategic objectives and long-term value creation. Disclose the performance measures, the weighting of each measure, as well as the threshold, target, and stretch levels, and the methodology used to assess achievement. Explain how these targets align executives' interests with those of shareholders, and provide transparent reporting on actual outcomes versus targets once the performance period has ended.

Comprehensive disclosure of the design and outcomes of performance-based awards will reinforce shareholder confidence and demonstrate a commitment to fairness and accountability.

**4 Shareholders expect the pay mix of variable remuneration to be weighted more heavily towards long-term incentives (LTIs).** This will align executives with shareholder interests and encourage long-term decision-making.

**IMPLICATION:** Ensure that the performance period of your LTI awards is sufficiently long – ideally a minimum of three years – to meaningfully assess executive performance against your organisation's long-term strategic goals and to avoid awards vesting too easily. When defining executive pay

**INCREASINGLY, SHAREHOLDERS ARE ASKING COMPANIES TO CALCULATE – AND BE PREPARED TO DISCUSS – THE “WAGE GAP” AND “GENDER PAY COMPARISON”.**



## The amendments require an action plan that goes beyond simple compliance to incorporate active engagement with shareholders.

mix, allocate a significant proportion of variable remuneration to LTIs rather than short-term incentives, to promote sustained value creation and align executive and shareholder interests.

Structure LTIs with clear, transparent performance conditions that are specific, measurable, and directly linked to financial and non-financial targets, such as ESG goals. Clearly communicate the rationale for the chosen pay mix and performance metrics, including LTI weightings, to demonstrate a commitment to fairness and long-term accountability.

**5 Shareholders want a clear link between performance-based pay and executives' performance outcomes.** All variable pay for executives should be linked to performance.

**IMPLICATION:** When possible, avoid retention awards without performance conditions for executives. By consistently tying variable pay to robust performance outcomes, you reinforce fairness, accountability, and shareholder trust.

**6 Shareholders expect disclosure of the policy relating to RemCo discretion – and the rationale for any discretion applied.** Where this is absent, it is typically flagged by investors.

**IMPLICATION:** Ensure that RemCo has a guiding discretion policy in place that clearly articulates the circumstances under which discretion may be exercised, the principles guiding such decisions, and the process for considering and approving discretionary actions. RemCo should document all instances where discretion is applied – including the rationale, supporting evidence, and alignment with the company's overall remuneration philosophy. Transparent and timely disclosure of both the policy and any material discretionary decisions in the remuneration report is essential.

**7 Shareholders are asking companies to calculate – and be prepared to discuss – the “wage gap” and “gender pay comparison”.** This is expected even ahead of these becoming formal regulatory disclosure requirements. The Public Investment Corporation (PIC) places a strong emphasis on transformation and will pay particular attention to ESG targets through this lens.

**IMPLICATION:** Systematically analyse pay gaps – including gender pay gaps – by collecting and examining compensation data across all employee groups, including executives. Use robust methodologies, such as median and mean pay comparisons, to identify disparities and ensure that the analysis accounts for allowable differentiating factors like role, tenure, and performance. Disclose findings transparently, clearly explaining any identified gaps, their underlying causes, and the actions being taken to address them. Provide context on your company's commitment to pay equity and the steps being taken to support transformation and ESG goals. Highlight ongoing monitoring, progress against targets, and plans for continuous improvement.

### A new era of accountability in remuneration

While a lot of the focus relating to the Companies Act amendments has been on the remuneration gap disclosures, it is important to recognise the magnitude of the transition from non-binding voting to binding voting relating to the remuneration report. The amendments require an action plan that goes beyond simple compliance to incorporate active engagement with shareholders. It is important that a company's remuneration report promotes transparency and instils stakeholder confidence in the business. ///



# News & views

The latest updates, insights and events from Remchannel and Old Mutual Corporate.

## UPCOMING WORKSHOPS

In the new world of work, stand-out qualities include curiosity and an ongoing willingness to learn. Start 2026 by investing in yourself – and the skills your organisation needs to succeed in a tight talent economy.

### INCENTIVE DESIGN WORKSHOP

Build the critical core skills needed to design effective incentive schemes that balance organisational and employee needs while driving behaviour aligned to business goals, for lasting, measurable impact.



To **register** or **learn more** about workshops, email [Workshops@remchannel.com](mailto:Workshops@remchannel.com).

WHEN?

**17-18 March 2026**

WHERE?

**Online**



## IN THE NEWS

Our Managing Director **Lindiwe Sebesho** has been out and about, sharing critical insights into what employees want most – and how employers can balance flexibility with structure to attract and retain star performers. Here are some of her latest features:

### *Take performance seriously: Featured in Main News, South Africa Today and EBNet:*

“With payroll costs under pressure and competition for critical skills intensifying, companies must ensure that the performance-management processes they use are robust and result in objective differentiation,” says Lindiwe Sebesho, Managing Director at Remchannel. “Employers and employees both have a role to play in ensuring that performance is clearly defined, evaluated, and rewarded fairly and consistently. When that happens, trust grows, motivation rises, and talent retention improves.”

### *Remchannel October 2025 Salary and Wage Movement Survey: Featured in FANews:*

“Sebesho says organisations that continue to reward without measuring contribution do so at their own risk. ‘Whether the goal is to retain talent, demonstrate fairness or meet compliance standards, the message is clear: performance data, developed and applied transparently, must become the foundation of pay decisions.’”

### *HR meets AI: Rethinking the workplace strategy for 2026:*

Featured in CHRO South Africa: “Generic approaches to employee benefits are no longer sufficient to attract, engage, or retain talent,” remarked Lindiwe Sebesho, Managing Director at Remchannel. “Flexibility is increasingly central to the employee experience, but it must be underpinned by a structured and responsible design framework that balances employees’ short-term needs with long-term financial wellbeing for both employees and employers. Without that balance, flexibility becomes unsustainable.”

## 2 JOB PROFILING AND JOB EVALUATION WORKSHOP

Calling all HR and remuneration practitioners! Spend two days exploring best-practice, simple ways to apply sound job evaluation principles and develop organisation-specific policies. Expect a practical, hands-on learning experience to ensure immediate, real-world application.

WHEN? **31 March – 1 April 2026**

WHERE? **Online**

## STAY CONNECTED

Follow [Remchannel on LinkedIn](#) for comprehensive data, analytics and consulting services designed to support talent acquisition, engagement, and retention.

CELEBRATING

# 25 YEARS

of reward insights

YOUR FIRST YEAR TRM SUBSCRIPTION ON US!

As we celebrate 25 years of Remchannel, we want to thank you with an exclusive anniversary offer: Complimentary access to our NEW Total Remuneration Module (TRM) for 12 months.

## Why our TRM is a game-changer

It enables you to integrate the key reward elements – guaranteed pay, benefits, with short- and long-term incentive insights – enabling your organisation to align remuneration with business strategy and long-term value creation.

### It empowers you through:

- Aligned pay structures that keep guaranteed packages competitive and market-relevant.
- Incentive insights that strengthen the link between performance, reward, and sustainable organisational outcomes.
- Robust governance analytics that support fair, compliant, and future-fit remuneration decisions.

Subscriptions are limited! Contact your Key Account Manager or email [Louna.Robbertse@remchannel.com](mailto:Louna.Robbertse@remchannel.com) to claim your complimentary subscription.

Thank you for being part of Remchannel's journey.  
Here's to shaping the next 25 years of reward excellence – together!

Please note that this exclusive offer is available to REMchannel salary survey subscribers only. This offer is available from 1 January 2026 to 31 December 2026. Terms and conditions apply.