Getting creative with employee rewards

By Mark Bussin

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During 2018, reward practitioners must show inventiveness in developing cost-effective reward solutions but also exercise their influence to solve persistent problems that linger in the workplace.

Reward professionals are the business experts responsible for designing programmes that structure financial remuneration and non-financial benefits to reward employees and executives for the work they do to help organisations meet their strategic objectives.

Context and macro trends for 2018

Several ongoing trends will influence reward programmes in the coming year:

- Low confidence in the South African government's ability to stimulate economic growth and empowerment continues to dissuade foreign investment in the country.

- Unjustifiable executive remuneration has yet to be satisfactorily resolved; in a poor economy and with a record unemployment rate of 27%, the disparity is much more striking.

- A growing number of workers, although employed, are either unable to adjust their standard of living to the economy or don't even earn enough to afford basic necessities.

- Globally, career discrimination against women is a major concern, while locally, failure to promote proportional ethnic representation in the workplace must be urgently addressed.

In light of these conditions, reward professionals should focus on several areas in the coming year:

1. **Pay executives for performance**
   Executive income is often tied to company stocks, so any external windfall in the market results in enormous rewards regardless of their efforts. In the public interest, practitioners should develop executive packages that favour measurable personal performance.

2. **Pursue fair pay relentlessly**
   Reward practitioners must ensure that all aspects of employee remuneration are free from bias, especially for women and ethnic groups. Rational rewards require fairness and justice.

3. **Create more jobs**
   Create two jobs at a lower rate rather than one at top pay; unemployment numbers must be reduced at all costs. Also invest in young people entering the job market to build the next economically-empowered workforce.

4. **Avoid economic imbalance**
   An economic vacuum between top-earning managers and lowest-paid workers threatens to implode employee motivation. Reward specialists should work towards acceptable wealth distribution across upper and lower ranks.

5. **Exemplary governance and ethics**
   Reward practitioners should keep abreast of developments in governance and ethical laws to ensure reward programmes they develop or manage do not fall foul of legislation or put employees at risk.

6. **Competent remuneration committees**
   Not all remuneration committees are created equal. If an organisation's remuneration committee is lacking in the knowledge or fortitude to root out excess, the reward specialist should steer them in the right direction.

7. **Create exciting work**
   Even with lower or stagnant pay, workers can be kept engaged through stimulating assignments that align with their values. Reward specialists should personalise tasks by creating work that resembles hobbies employees usually enjoy.

8. **Strive for Agile**
   Agile methodology targets high-impact outcomes, making efficient use of resources and reducing costly processes. Agile organisations can adapt rapidly to a turbulent economy, so reward specialists should understand and promote Agile where possible.

Although the outlook for 2018 is not overly encouraging, the inventive and conscientious reward practitioner can have a positive impact in the workplace. These professionals are in a prime position to ensure that companies do right by their employees and take sensible steps to remain productive.

ABOUT MARK BUSSIN

Dr Mark Bussin is the chairperson of 21st Century Pay Solutions and an Exco member of the South African Reward Association (SARA).
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