

5 ways to rebuild trust and productivity in South Africa's labour market

By [Ray Harraway](#)

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South Africa's labour market is under pressure as operating models change, as client needs change - mainly through digitisation - leading to an increase in the demand for skills not readily available.



Source: © 123rf [123rf](#) Ray Harraway, master reward specialist and SARA member gives five ways to rebuild trust and productivity in the country's labour market

In addition, a deteriorating macro environment combined with high volume and pace of change is increasing distractions and fraying emotional connections at work broadly. These factors drive the prospect of lower productivity and weaker bottom lines.

5 ways to rebuild trust and productivity

Here are five ways reward practitioners can respond to rebuild trust and productivity.

1. Pay for potential

Work success comes from at least two things, will and skill.

- Will (Ambition, energy, enthusiasm, resilience, focus, drive).
- Skill (Knowledge, acquired through experience, exposure, training, qualifications and Interpersonal skills).

Will is not dissimilar to 'potential' and we tend to undervalue it. This is because there is no identifiable market value, such as benchmark survey data - it is not explicit like a qualification or years of experience.

We have all heard of skills-based, competency-based, or performance-based pay. But, what about potential-based pay?

The reason this is important is that attrition data, particularly of millennials, tells us that employees leave primarily because of a lack of career progression. Is this because we prefer to see a proven track record before we promote? Potential is anything but a proven track record.

Call to action: Paying for potential, such as through a 'premature' promotion, may well mean you are paying it forward and betting on a future outcome. But this bolder and proactive talent approach protects your talent base which one day should translate to performance.



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2. Prioritise wellbeing

"Productivity creates wellbeing, and wellbeing creates productivity". But there is a paradox; on the one hand, organisational change tends to drive adverse well-being consequences, and then, on the other, the volume and pace of effective change is necessary to remain sustainable.

The point is that the emotional state of the workforce going through a transformation is critical to the success of the transformation programme.

There is a newfound respect for the strategic importance of well-being - corporate growth depends on it. Organisations have a responsibility to proactively provide wellbeing offerings for the wellbeing of the organisation. Employees must still own their well-being.

Call to action: Why not incentivise line managers to destigmatise mental health and have 'whole person' conversations in their regular direct report one-on-ones? This can be done through an online recognition system where direct reports award virtual badges when they observe this behaviour, as an example.

3. Strengthen communication on reward

We know too well that effective reward is premised on driving behaviour and actions that achieve strategic objectives.

The LTI award might be connected to corporate performance targets, but is the employee? The LTI scheme is wasted if we don't use it to connect employees to the strategic objectives of the organisation.

Demonstrate in simple terms the probability of LTI performance vesting outcomes and how they are tied to the achievement of the targets. The retentive power of LTIs is heavily discounted if the participant is unsighted on this. After all, LTI awards should motivate them to be productive and achieve the targets as they have a stake in the company.

Call to action: Engaging employees to be more productive is possible with better communication. Spend more time promoting your LTI scheme and how it aligns with the interests of shareholders and employees.



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4. Keep the fair pay conversation going

Let's face it - effort can be disproportionately spent on refining methodologies to calculate pay differentials, identifying and remediating unjustified ones and governance reporting.

We can do as much variable regression analysis as we like to prove no systemic bias, but unless we are transparent with employees on the results, the work is largely wasted.

Employees want to know that their pay is fair, otherwise, they will believe the corridor gossip. Pay is always a relative game - how it stacks up to the next guy. Explaining a pay differential is an art based on science.

Call to action: Demonstrate to your employees that pay is fair or what you are doing to address inequities. Sharing the results might require some courage, but if done correctly, with trained line managers, it will drive an inclusive culture, a sense of belonging, and higher productivity. Knowing is always better than making assumptions because of not knowing!



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5. Benefit choice

Just like “beer is free tomorrow”, the trend of “Individualised benefits” never seems to arrive. Imagine building your very own benefits portfolio just like you can when you buy a new vehicle off the factory floor with an online menu of choices.

This requires heavy investment in data, technology and AI, much of this is beyond the reach of many organisations and is arguably still work in progress.

An efficient way to achieve a similar result is to empower employees to select benefits from a range of flexible options that are pre-packaged around life stages, such as marriage, birth, death, or buying a house. No choice or too much choice can be a value detractor.

Call to action: Review the extent of choice in your benefits offering. Good examples are choice in a medical scheme, extent of group life cover, range of retirement fund contributions, and when and where you work.

While this article suggests five ideas to keep the reward programme relevant, none are radical except perhaps ‘Pay for potential’. Isn't it time for radical innovation in reward design?

ABOUT THE AUTHOR

ay Harraway is a master reward specialist and a South African Reward Association (SARA) member.

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