

PwC offers reliable African salary surveys

As South African and international companies expand their geographic footprint, the demand for local and international skills rises. But how would companies remunerate employees at market-related salaries without having market-related statistics?



Salary surveys are normally used as a guideline to start operations and review skill requirements. However, once one looks at a company's salaries and wages bill, it's one of its biggest expenses. Companies mostly strive to pay the best, but paying too much could inflate their salaries and wages bill to the detriment of the organisation and of course, influence future sustainability.

"Realistically, how do they know what the market-related salary should be when they have unreliable statistics derived from various methodologies and how can they interrogate the data? Is the information fairly represented because locals and expatriates are paid differently, as determined by regulation," says René Richter, Associate Director: Research at PwC.

The overall concern by employers is determining how to navigate uncharted territories while avoiding misinterpretation and abuse of salary survey data.

"There is a huge economic boom in Africa, resulting in a vast need for information on people's salaries, remuneration, bonuses, benefits and conditions of service," according to Richter. Citing *The Economist*, it explains that over the ten years leading up to 2010, six of the world's ten fastest-growing economies were in Africa and for the five years from 2011 to 2015, the top ten fastest-growing economies with a population size exceeding 10 million will include seven African countries.

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