

## Contents:

- [Business Day – 14 August 2006](#)
  - [e-research – Camelot Case Study](#)
  - [Games of Chance Used to Motivate](#)
  - [Tapping Recruitment Potential of Ex-Employees](#)
  - [Tardy Pension Funds May Face Legal Action](#)
  - [SARA Internship Programme](#)
  - [SETAS: Request for Comments](#)
  - [Economic Overview – Impact on Salaries](#)
  - [Reward Awards](#)
  - [SARA Conference 2006](#)
  - [SARA Banquet 2006](#)
  - [SARA Events 2006](#)
  - [Durban Branch – Work/Life Balance](#)
  - [EMG Event – Medical Risk Management](#)
  - [GRP Programme 2006](#)
  - [Consultant Member News](#)
  - [Employment Opportunities](#)
  - [Website Postings](#)
  - [Live Membership Database](#)
  - [WorldatWork Courses](#)
  - [Upcoming Events](#)
  - [New Members](#)
  - [Editor's Note](#)
- 

## Business Day -14 August 2006

**Business Day** will be bringing out their survey of **Top Rewarding South African Companies** on 14 August 2006. The two-page report will feature a selection of topical reward articles highlighting the importance of reward strategies in organisations. SARA members are encouraged to make the most of this opportunity to identify themselves as Top Rewarding Companies by advertising in the Business Day survey.

The coverage provided by this initiative will help to raise awareness of the importance of reward management and SARA's role in promoting excellence in this field. In addition, the articles on the Reward Awards, which recognise cutting-edge reward practices, will yield significant exposure to both SARA and organisations wanting to be identified as Employers of Choice.

If you would like to advertise in this feature, please contact Gillian le Cordeur at: [Gillian@vdw.co.za](mailto:Gillian@vdw.co.za)

[go to top](#)

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The latest e-research from e-reward has been posted in the library on the SARA website. These reports are for paid-up SARA members and can only be accessed with a password. To view these informative documents go to: [e-research](#)

### **Issue 41: Case Study: Camelot Uses Fairness and Transparency to Boost Creativity and Growth**

Camelot nearly did not win the second licence for the UK National Lottery, and this experience galvanised the organisation into action. Annual staff surveys provided some pointers as to what needed to be improved on in the area of reward. Employees wanted fairness and transparency, and for good performance to be rewarded.

This resulted in the introduction of new market driven arrangements, a six-band pay structure, a new performance management system, a recognition scheme and changes to the bonus plans. Benefits have been improved too.

Camelot says it needs creativity and innovation from employees – and growth. The company is confident that the new approach to reward and performance management, which focuses on “clarity and transparency”, has achieved this aim. Employee satisfaction with the company has increased, as demonstrated by an entry and then an improved position in The Sunday Times survey of “100 Best Companies to Work For”, as well as better scores in Camelot’s own staff survey.

[go to top](#)

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## Games of Chance Used to Motivate

Rewarding your employees for goal achievements by allowing them to play games of chance on the computer while at work seems a bit odd, but that is exactly what the incentive program developed by Dr. Brooks Mitchell allows.

Snowfly was developed by Mitchell, a professor of management at the University of Wyoming and former owner and founder of Aspen Tree Software. Currently they have 25 companies enrolled in their incentive program. Technology leader Rob Koller said originally they felt the incentive program would be geared mainly to call centres. They have since branched out to retail stores, schools and banks.

The incentive program can be set up to meet companies’ specific needs and specifications. Companies set up goals and/or achievements that they want their employees to meet. When those goals are met, the employee is awarded a token to play a Vegas-type or carnival-type game on the computer where the employee can win points. Each employer allots so much money per point, usually one-cent, Mitchell said.

He said Snowfly now has the ability to immediately transfer an employee’s points to a reloadable Visa debit card so that the funds are immediately accessible. Other companies may pay out the money directly or may allow employees to accumulate money and purchase items on eBay. Mitchell said the incentive program “rewards people instantly” when they meet company goals.

Each company can select the number of games and types of games their employees play. Once a Snowfly program has been set up for a company, employees log into their individual accounts on the company’s custom-designed website and view the objectives they need to accomplish in order to play a Snowfly game and earn points and money. Once the objective is reached, they receive their “e-token” and get to play a Snowfly game.

Companies that utilise Snowfly, Mitchell said, will be able to create an “actively engaged workforce, boost revenue, improve attendance, heighten workforce morale and sustain

employee enthusiasm.”

[laramieboomerang.com](http://laramieboomerang.com)

For readers interested in this subject, an article by Tyler Mitchell entitled “[Gen X & Workplace Performance: A Win-Win Proposition](#)” has been placed on the SARA website at: [Library](#)

[go to top](#)

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## Tapping Recruitment Potential of Ex-Employees

More employers are tapping lists of former employees who may be able to provide just the right referrals because they know what kind of workers fit the bill. And, who knows? An employee who retired, or someone who left to take another job, might miss the scene and want to come back. They just need to be asked.

“Reaching out to former employees has really been rewarding for us,” says Jocelyn A. Giangrande, SPHR, director of recruitment and HR services at Detroit-based Henry Ford Health System (HFHS). “We do a lot of rehires and find that a significant number of employees who leave our community come back,” Giangrande says.

Like many employers, HFHS is taking steps to actively stay connected with former employees, having found them to be a valuable resource for the company’s recruitment efforts. While some companies maintain formal alumni networks that allow former employees to see job postings, network with their former co-workers and earn money from referral bonus programs, other companies take a more casual approach by doing things like organising social events for former employees or sending them occasional newsletters or invitations to company-sponsored activities.

The advantages of pursuing former employees, says Alice Snell, vice president of San Francisco-based Taleo Research are that “they are known commodities and are considerably less expensive to bring back than having to advertise, which can become a large part of your recruiting budget.” If employers maintain a good relationship with their former, high-quality employees, Snell says those ex-employees “can become an excellent source of referrals or come back themselves.”

[Society for Human Resource Management](#)

[go to top](#)

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## Tardy Pension Funds May Face Legal Action

Pension fund members or beneficiaries can sue trustees if they feel prejudiced by costs incurred if their funds failed to submit surplus valuations in time. The Financial Services Board (FSB) said it had no alternative but to use tribunals to push recalcitrant pension funds to submit outstanding surplus information. The use of a tribunal, which is a panel appointed by the registrar of pension funds, to deal with the issue would be costly and members would have to bear the costs, the FSB said.

Of all pension funds, 40 percent submitted their surplus valuations by the April 1 deadline. The pension fund industry has about 16 000 pension funds, managing more than R1 trillion. The actual value of outstanding surpluses remains uncertain because of information that still needs to be submitted to the FSB. Colin Bullen, an actuary at Lekana Employee Benefit Solutions, said the amount ran into tens of billions of rands. Some estimates put the figure at between R60 billion and R80 billion.

Mike Codron, the FSB's chief actuary, said pension fund members could, however, hold trustees liable for letting the situation get to the point where the regulator appointed a tribunal and incurred unnecessary costs.

Deputy pension funds adjudicator Naleen Jeram said that the pension funds adjudicator had no jurisdiction on pension surpluses and could only get involved if members reported trustees to it.

Lekana's Bullen said trustees were responsible for the delay in surplus apportionment. They had a legal obligation to ensure that a due process was followed in surplus apportionment. He said trustees had a tendency, which stemmed from the past where they relied on fund administrators, to steer the way for them.

## [Business Report](#)

[go to top](#)

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# SARA Internship Programme

Nedbank Human Resources was delighted to spend two weeks during July with the three SARA interns, Deborah Lehaha, Lucette Muila and Tebogo Llale. The three graduates have clearly already come a long way over the past few months and they surprised us with the depth of their questions. The interns spent some time with different groupings within the Group Human Resources team, i.e. Remuneration Services, Performance Management, Employment Branding and Recognition and were exposed to the different policies and processes in place within the Nedbank Group.

The interns also attended a project scoping and planning session on aligning remuneration and benefits between the subsidiary companies within the OMGSA group. Lastly they were given the opportunity to write psychometric assessments in our Assessment Unit. We were not privy to the results but hope that the feedback supported their decisions to build careers in the Reward profession.

Spending time with these enthusiastic people made me realise how worthwhile the SARA Internship program is and how much it means for individuals. SARA, in conjunction with 21st Century, are planning to run another program in 2007 - if you are interested to sign up as a sponsor for 2007, please incorporate the required funds in your budgets. Formal communications regarding the 2007 program will soon be distributed.

**Ronel Nienaber - Nedbank Group**

After two exciting weeks at Nedbank, the three SARA interns, Deborah Lehaha, Lucette Muila and Tebogo Llale spent time at Edcon from 17 to 28 July. During these two weeks they were exposed specifically to the area of employee benefits. Their learning included exposure to the Edcon Medical Schemes, Retirement Funds and other employee benefit programmes. In addition to a high level business and remuneration overview, they requested to spend time with the MIS analysts to be exposed to the way Edcon manages and processes pay data. Given that business understanding is key to any remuneration professional, the team visited and got insight into how the stores operate, how the logistics of millions of units of merchandise is processed through a Distribution Centre and how an Edcon Call Centre deals with over 4 million card holders.

**Nazlie Samodien - Edcon**

[go to top](#)

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# SETAS: Request for Comments

The Department of Labour is requesting comments on the Draft Amendments to Sector Education and Training Authorities (Setas) Grant Regulations Regarding Monies Received by a Seta and Related Matters

The Draft Amendments can be accessed at:

<http://www.pmg.org.za/gazettes/060630labour-amend.pdf>

[go to top](#)

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## Economic Overview - Impact on Salaries

Even though the South African economy slowed down marginally in the last quarter of 2005, overall consumer and business confidence remain high. The Bureau for Economic Research reported that business confidence increased in four of the five sectors covered in their survey conducted during the first quarter of 2006. The reality is that the majority of Remchannel participants (78%) utilise CPI or CPIX as a key factor in determining salary and wage increases. The exchange rate, oil and food prices may contribute to higher inflationary figures and therefore also influence budgeted increases.

If the increases in CPI and CPIX in the first five months continue for the remainder of 2006, salary and wage increases may also have an upward trend. The Remchannel Newsletter (June 2006) indicates that the salary and wage movements for general staff are on average 6%. Remchannel's upcoming September 2006 Salary and Wage Movement Survey will provide organisations with additional market trends in reaction to the CPI and CPIX figures.

This complete article along with graphical illustrations on the key economic indicators for the first five months of 2006 and the corresponding indicators for the same period in 2005 as well as figures from the Bureau for Economic Research are available on the SARA website at: [Library](#)

[Remchannel Newsletter – June 2006](#)

[go to top](#)

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## Reward Awards

SARA's prestigious annual Reward Awards has introduced a new award category - the **Team Award** to its established categories of **Reward Strategist** and **Reward Practitioner** for 2006. The new award acknowledges the importance of teams in defining and implementing innovative reward practices whether they be of a strategic or operational nature.

This third category was added to the Reward Awards as a result of companies increasingly emphasising the fact that even though reward practitioners or strategists play a key project management role, it normally takes a team of people to design and implement reward solutions for a company. Often the financial, systems and/or tax specialists, to mention only a few, also get involved and it is therefore only fair to ensure that the team is recognised together with the reward practitioners/strategists that initiated and spearheaded the projects. It is possible for reward practitioners or strategists to be nominated in both the individual and the team categories.

**Business Day** will be promoting this year's Reward Awards in a 2-page spread to generate anticipation and interest in the Reward Awards. Details on the award categories - Reward Strategist and Reward Practitioner as well as the new Team Award category - will be given prominence. Previous Reward Award winners will reveal what it feels like to be spotlighted by SARA for one's reward initiatives.

SARA encourages organisations to recognise the contribution that their reward specialists and/or teams have made by nominating them for Reward Awards 2006. Winners will be announced at the SARA Annual Banquet in November 2006. To ensure that your organisation's candidates are considered for these awards, remember to submit your nominations to SARA by **8 September 2006**.

To access the nomination form, go to: [Reward Awards](#)

[go to top](#)

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## SARA Conference 2006

The **Indaba Hotel Auditorium** in Johannesburg will be the setting for this year's SARA Conference being held from **9 - 10 November 2006**. The reputable **Business Day** newspaper will be providing coverage on the 2006 SARA Conference. John Rubino, a popular speaker well-known to SARA members, is scheduled to speak at the conference. Rubino is a WorldatWork faculty member as well as the author of two compensation books. He has over 20 years experience designing and implementing HR programmes for a wide variety of organisations. If you are interested in speaking at the conference, please contact Gillian at: [gillian@vdw.co.za](mailto:gillian@vdw.co.za)

[go to top](#)

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## SARA Banquet 2006

Sponsored by **Remchannel**, the annual SARA Banquet will take place on **11 November 2006** at the **Indaba Hotel** in Johannesburg. The banquet is the highlight of the South African reward professional year with the cream of South Africa's reward professionals in attendance to hear the outcome of SARA's **Reward Awards** for 2006. Articles and photos of the Reward Award winners will be published in the first **Business Day** edition following the year-end banquet on 11 November 2006.

[go to top](#)

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## SARA Events 2006

<b>SARA Meetings &amp; Function Schedule 2006</b>			
<b>Date</b>	<b>Function</b>	<b>Venue</b>	<b>Time</b>
10 August	WorldatWork Feedback Function	Country Club Johannesburg	14:00 -17:30
15 August	Committee Meeting	Randburg	16:00 - 18:00
17 August	Work/Life Balance - Function	Deloitte, Pencarrow Park, Durban	07:15 -10:00
18 August	EMG: Medical Risk Management	Barloworld	07:00 - 10:00
20 September	Masters Students Function	TBC	07:30 - 10:00
27 September	EMG: Retention and Return on Investment	Business Connexion	
6 October	SARA AGM & Function	TBC	
25 October	SARA EMG Function	TBC	
9/10 November	SARA Conference	Indaba Hotel	
11 November	SARA Banquet	Indaba Hotel	
14 November	Committee Meeting	Randburg	16:00 - 18:00

## Durban Branch - Work/Life Balance

The Durban branch have organised a breakfast presentation on “**Work/Life Balance**” on 17 August 2006 at the Deloitte offices in Pencarrow Park, Durban. Dawie Spohr and Dr Colleen Coetzee will look at setting boundaries and keeping them in place as we fulfill a variety of life roles.

- **Dawie Spohr** is a qualified HR practitioner with an extensive background and experience in the fields of HR/IR and the management of Occupational Health in industry. Currently he is the General Manager: Group Health Services & EAP for Toyota South Africa.
- **Dr Colleen Coetzee** is an expert on some psycho social aspects ie. stress, depression, HIV and Aids, etc and will be able to support Dawie’s approach to those behaviours that render a person incapable of meeting the demands required by the workplace.

Please RSVP to Gillian by **14 August 2006** for catering purposes at: [gillian@vdw.co.za](mailto:gillian@vdw.co.za)  
[go to top](#)

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## EMG Event – Medical Risk Management

The Expatriate Management Group will be hosting a breakfast presentation on **18 August 2006** on the topic “**Focus on Medical Risk Management**”. It will take place in the Luanda meeting room, Barloworld Corporate Office, 180 Katherine Street (corner Harris Road), Sandton - next to Innesfree Park. A map to the venue is available on the website at: [EMG Events](#)

**Time:**

07:00 - Registration  
07:30 - Breakfast  
08:00 - Presentations  
10:00 - Closure

Please RSVP to Gillian le Cordeur by 15 August 2006 at: [Gillian@vdw.co.za](mailto:Gillian@vdw.co.za)

## GRP Programme 2006

The GRP Seminars for 2006 are outlined in the table below.

Date	City	Course	Module
14-16 August	Cape Town	GR5	Performance Management
17-19 August	Cape Town	GR6	Variable Pay
21-23 August	Johannesburg	GR5	Performance Management
24-26 August	Johannesburg	GR6	Variable Pay
13-15 November	Johannesburg	GR7	International Total Remuneration

16-18 November	Johannesburg	GR8	International Benefits
20-22 November	Cape Town	GR7	International Total Remuneration
23-25 November	Cape Town	GR8	International Benefits

For all the details on the GRP courses, go to: [GRP](#)

The registration form is available at: [GRP Registration Form 2006](#)

Should you require further details please contact Gillian at: [Gillian@vdw.co.za](mailto:Gillian@vdw.co.za)

[go to top](#)

## Consultant Member News

**Averile Ryder Remuneration Consulting** has carried out a Non-Profit Organisations' Salary Survey. The results will be made available in September 2006. The Non-Profit Organisations' areas of focus include: Culture and Recreation, Education and Research Health including HIV and Aids, Social Services, Business Development, Professional Associations and Trade Unions, Embassies, Land, Environment, Development and Housing, Advocacy and Politics, Religion, Philanthropic Intermediaries and Voluntarism Promotion. The survey offers benchmarks for 27 Non-Profit Organisations' jobs and provides information on Guaranteed Pay, Work-related allowances and payments, Variable or performance-incentive bonus pay, Conditions of employment, Employee benefits and Non-Executive Directors and Chairmen payments. For further details, please contact Averile Ryder on (031) 262 2849, 083 293 2037 or via e-mail: [averileryder@mweb.co.za](mailto:averileryder@mweb.co.za)

**Worksucks** is hosting two events in August in Johannesburg. On 3 August there is a free presentation, "HR on the Edge" covering topical issues in recruitment, retention, remuneration and performance plus a SARS presentation for HR professionals. "Worksucks" - the book - will be launched on 17 August with a seminar and networking event for employers and employees. For more information, e-mail Yusuf Mahomed at [worksuck@worksucks.co.za](mailto:worksuck@worksucks.co.za) or go to [www.worksucks.co.za](http://www.worksucks.co.za)

[go to top](#)

## Employment Opportunities

### **National Compensation and Benefits Manager**

The primary purpose of the job is to manage the compensation and benefits programmes and the administration of the payroll system. Recommend and implement improvements to payroll practices and ensure that an effective HR Management Information System is maintained and relevant information is provided to management. Key Performance Areas - Design and implement reward philosophy, strategy and programmes: Conduct research into compensation and reward trends. Design and develop programmes appropriate for Company, and implement them. Review and recommend appropriate reward philosophy and strategy for Company in consultation with HR and line management. Formulate policies, procedures and programmes for benefits and compensation: Continuously evaluate existing benefits. Closing date: **4 August 2006**. To read more on the requirements for this job, go to: [Employment](#)

### **Manager: Remuneration & Reward - Parmalat**

An opening is available for the position of Manager: Remuneration & Reward at the Parmalat Head Office in Stellenbosch. The main purpose is to drive the implementation of the Parmalat reward strategy aimed at attracting and retaining required talent needed to achieve Parmalat business objectives. Closing date: **18 August 2006**. For further details regarding Key performance areas and minimum requirements, go to the SARA website: [Employment](#)

## Website Postings

An article by Tyler Mitchell entitled “**Gen X & Workplace Performance: A Win-Win Proposition**” is available on the SARA website at: [Library](#)

The SARA e-Bulletin for June 2006 has been posted on the website at: [Library](#)

[go to top](#)

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## Live Membership Database

SARA members are encouraged to access the SARA membership database on the website and edit their personal details on line when it becomes necessary. To make use of this new facility, go to: [My Membership](#)

[go to top](#)

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## WorldatWorld Courses

**WorldatWork** is offering the following internet courses. If you are interested in registering for this course, please contact the Secretariat at Tel: (011) 789 1384 for the password and then go to: [WorldatWork](#)

**B1: Fundamentals of Employee Benefits Programs** - This basic-level, two-day course provides an examination of employee benefits programs in private-sector settings. Closely attuned to today's benefits issues and challenges, this course is an excellent preparation for achievement in this field. **(August 22-24, 29-31)**

**W2: The Flexible Workplace — Strategies for Your Organisation.** This seminar provides participants with the fundamentals of workplace flexibility and presents a process for building a flexible workplace to maximise employee and organisational effectiveness. Specific examples of practices in the Workplace Flexibility category are discussed along with how workplace flexibility solutions may be successfully implemented. **(September 5-7, 12-14)**

**T2: Accounting and Finance for the Human Resources Professional** - This intermediate-level, two-day course offers an introduction to accounting by exploring the major groups of accounts and the financial statements that make up a company's annual report. It also provides coverage of the financial concepts that HR professionals should understand to interact effectively with the individuals in accounting and finance departments. **(Sept. 19-21, 26-28)**

[go to top](#)

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## Upcoming Events

WorldatWork is holding its first European **Total Rewards Conference** from **26-27 October 2006** in Brussels. Among the speakers are world-renowned experts who have driven the human capital discussion to the top of the public agenda. The conference

chairman is Xavier Baeten, director of the Executive Remuneration Research Centre and the Strategic Rewards Research Centre at Vlerick Leuven Gent Management School (Belgium). He is known for his expertise in executive remuneration, strategic reward management, employee benefits and stakeholder management.

The conference keynote speaker is Professor Prabhu S. Gupta, head of the Centre for Organisational and Executive Development based at the Wolfsberg Executive Development Centre of UBS AG (formerly the Union Bank of Switzerland). He is also the founder and chairman of Advance, a London-based management training and consultancy firm. For additional information, visit: [www.worldatwork.org/brussels2006](http://www.worldatwork.org/brussels2006)

[go to top](#)

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## New Members

### New Corporate Members

- Lionel Daniels – University of Western Cape (HR Department)

### New Associate Members

- Samantha Hammond – Black Top
- IJ Bredenkamp – Black Top
- Melanie Loubser – The Pay & Benefit Practice cc

[go to top](#)

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## Editor's Note

Dear Readers

I welcome input from readers of the SARA Bulletin and encourage you to forward any information or announcements that you would like to see published in the bulletin. Contributions need to be forwarded to me by the 20th of every month and SARA reserves the right to edit content for clarity and/or brevity.

Please note that the views expressed in this newsletter are not necessarily those of the South African Reward Association.

Kind regards

Clare

Tel: (011) 789 1384

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[go to top](#)

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