

SARA Bulletin

October 2006

Contents:

- [Employment equity reporting on income differentials](#)
- ['Wild' remuneration at SA parks](#)
- [2006 in Brief](#)
- [SARA Internship Programme: 2006 Reviewed](#)
- [2007 Internship Programme](#)
- [Reward Awards 2006](#)
- [SARA AGM 2006](#)
- [SARA EMG AGM 2006](#)
- [Sponsorship for Conference 2006](#)
- [SARA Conference 2006](#)
- [SARA Banquet 2006](#)
- [SARA Events 2006](#)
- [Research Supervisors Required](#)
- [GRP Programme 2006](#)
- [Consultant Member News](#)
- [Employment Opportunity](#)
- [Website Postings](#)
- [Update Your Membership Details Online](#)
- [HR Africa Summit](#)
- [e-reward Conference](#)
- [New Members](#)
- [Editor's Note](#)

Employment equity reporting on income differentials becomes more onerous

Under the Employment Equity Act, 1998 (EEA) designated employers are required, amongst other, to submit income differential statements to the Department of Labour, either annually or bi-annually. Regulations published in May this year introduced more onerous processes and reporting forms on employers. The new income differential statement (the so-called EEA 4 form) is also lengthier and more cumbersome than its predecessor.

It requires that the total remuneration be calculated against the total number of employees per race and gender in each occupational level and category as defined. Where disparities do exist, explanations need to be given per category and/or level. The calculation of remuneration must include twelve months of a financial year (the so-called reference period) that is in line with the period covered by the EEA2 reporting form that is also submitted to the Department on progress made with the achievement of equity objectives and numerical goals.

For the full article by Remchannel associate, Dr Laurentia Truter, please visit the [SARA website](#).

'Wild' remuneration at SA parks

A young communications official at South African National Parks earns almost as much as the president of this country - R1 million a year.

Wanda Mkutshulwa is the spokesperson for Sanparks. Her package is a whopping R1,045-million a year and includes R214 000 in allowances, R275 000 in bonuses and a basic salary of R552 000.

In fact, she earns nearly a quarter of a million rand more than Marthinus van Schalkwyk, the minister of Environmental Affairs and Tourism under which Sanparks falls, who earns about R800 000.

Jeff Gaisford, the communications manager of Ezemvelo KZN Wildlife, said it would be unethical for their organisation to comment on the salary given to Sanparks employees.

Gaisford refused to say how much he earned, but said: "I don't earn anywhere near that amount. I don't think it would be acceptable for me to reveal exact details about my salary, but I can say that it does not exceed R200 000 per annum."

There has been growing discontent across the political spectrum over the massive salaries the management of parastatals pay themselves. Many believe these seven-figure salaries are "obscene".

President Thabo Mbeki has lashed out at the compulsion to get rich "at all costs", particularly among the "black elite".

Unlike private companies where private funds are used to set up companies to generate profits and pay salaries, parastatals such as Sanparks, Eskom and Telkom were originally set up using taxpayers' money.

But Mkutshulwa is not the only one at Sanparks who earns a seven-figure salary. The whole management team earns seven-figure salaries.

The salary package for the executive team of 12, including bonuses and incentives, was R13.499 million last year.

Trade unions have slammed the huge packages, with Cosatu's Patrick Craven saying their main concern was the gap between top management and ordinary workers, which had one of the biggest differentials anywhere in the world.

Recently the salaries of municipal managers came under scrutiny when it came out that they were earning salaries similar to those of cabinet ministers while not fulfilling some of their basic responsibilities.

2006 in Brief

2006 has been an interesting and active year, particularly due to the tireless work of the executive committee who not only steered the smooth running of the association, but also provided members with insight and assistance throughout the year.

The association arranged no less than seven workshops and information sharing sessions in Johannesburg during the course of this year, as well as the very popular Global Remuneration Professional Program modules 1-6. Modules 7 and 8 will be offered in November 2006 after the Annual SARA Conference.

EMG, the Expatriate Management Forum grew significantly, to the point of becoming financially self-sufficient. The group offered four programs this year, specifically focusing on expatriate management issues.

The association initiated two new programmes this year, designed to mitigate the skills shortage in the reward profession. The first programme, which has been hugely successful, was the 9 month SARA Internship programme. The second was the delivery of a short course in remuneration management at three universities around the country to create awareness around the remuneration management discipline and to provide basic reward management knowledge for when students enter the world of work.

The Cape Town and Durban branches were also active this year, and while still running at a financial loss, these branches show significant promise for the future.

Our corporate membership is continually growing and we currently have 165 corporate members with a total number of 2,400 individuals on our membership database.

SARA Internship Programme: 2006 Reviewed

The 2006 SARA interns, Deborah Lehaha, Tebogo Llale and Lucette Muila, are winding down their exploration of the world of reward.

At the beginning of the year, SARA commenced an internship program under the mentorship of Dr. Mark Bussin. The aim of this initiative was to introduce graduates into the field of remuneration.

By all accounts, the programme was a great success and all interns have been placed; Deborah Lehaha at Rand Water, Tebogo Liale at Impala Platinum and Lucette Mula at Eskom.



The group covered various aspects of the profession through the programme and have summarized their experience:

The **Remuneration policy and strategy** topic was covered at Nedbank with the Group Remuneration team where we were exposed to Nedbank's remuneration services, performance management, employment branding and recognition policies and processes.

Base pay management

Job descriptions were covered by 21st Century with a job description writing course and a practical at Medscheme and SITA. The experience was worthwhile as it gave a different view as to the different uses of job descriptions and the different formats.

Job evaluation was covered with LMO using their Global Grading System; Deloitte with their T.A.S.K. Peromnes and Execuval systems, Hay Group South Africa with their Hay job evaluation system and the electronic JE Manager, 21st Century with courses on Paterson and Stratified Systems Theory (SST) and their web based systems, namely Jeasy and Jexpert.

While at FNB we were introduced to the concept of broad banding and why companies would choose a broad banded structure over hierarchical structures, the type of companies that would be best served by broad banding and the advantages thereof.

We attended a salary structuring course through Knowledge Resources. The course also covered tax and total package in terms of conversion to total package and the tax considerations that accompany that. We also gained some practice on how to structure salaries and pay scale design while at 21st Century.

While with Reward Partnership, we gained insight into the components of a remuneration framework and how they went about developing it for a client.

Salary surveys were covered with Hay Group South Africa, 21st Century Pay solutions, LMO and Delloite. They showed us their different surveys and we went on a survey methodology workshop with Remchannel

We were exposed to the topic of employee benefits while with Edcon. This included medical aid, car benefits, retirement funds and other employee benefit programs.

Short-term incentives and variable pay

The principles of incentive scheme design and the issues to keep in mind were covered with an incentive scheme design course through the Building Blocks workshop and again with Knowledge Resources. The concept of variable pay and understanding the remuneration mix were covered by 21st Century.

Long term incentives

We got insight into how the external environment affects the design of long-term incentive scheme i.e. tax legislation, the changes in the accounting reporting standard, linking performance hurdles to long-term incentives and also how different companies are introducing staggered vesting periods.

Expatriate remuneration

How expatriate remuneration is packaged, the considerations to be taken into account while calculating the packages and the various ways of calculating expatriate remuneration was covered by 21st Century

Training courses

As part of the internship we attended training courses through WorldatWork. The Global Remuneration Professional (GRP) programme has 8 modules and we attended the first 6; GRP 7 & 8 will be attended in November. Other courses attended were the incentive scheme design course, a Salary structuring course and the Building Blocks workshop through Knowledge Resources. A job description writing course and the SST course were offered through 21st Century and we also attended the Paycon and IPM conferences.

The internship programme has given us a significant edge in our careers. We all worked very hard and gained a great deal of insight from this process. Thank you SARA for this opportunity.

[go to top](#)

2007 Internship Programme

This year's internship programme was a stellar success. As such, the association and 21st Century have decided to continue this programme to add new minds to our profession. The selection process has begun for the 2007 internships as part of our ongoing commitment to developing remuneration skills for PDI's.

The association is looking for suitable graduates interested in benefiting from the tremendous opportunity as well as for companies who are willing to participate in the

process by hosting the interns for a 1 - 2 week period, during which time the companies will share with them, the policies and practices applied in the respective organisations.

We are also looking for a sponsorships of R45 000 to cover basic salary and material costs for a candidate for a 6 month internship. Sponsor companies will have the first opportunity to appoint one of the 3 individuals at the end of the internship programme.

The association will recruit 3 black candidates with a minimum qualification of a degree, but preferably an honours degree. 21st Century Pay Solutions Group will, in association with corporates and other consulting houses train and mentor the candidates for a period of 6 months, from March 2007 to the end of August 2007. During this period all SARA workshops and the GRP courses will also be attended. Candidates will be paid a basic salary of R5 500 per month for 6 months (R33 000) and the balance is used to cover material required, transport costs, external training costs etc. The ideal candidate will:

- Be a black graduate with an Honours degree (preferably in commerce or industrial psychology)
- Have little or no work experience
- Be proficient in reading and writing in English
- Have transport to and from 21st Century offices in Rosebank
- Have basic computer skills including Word, Excel, PowerPoint and Internet
- Must be passionate about getting into this niche area of Human Resources
- Must be articulate and have good attention to detail
- Must be prepared to learn!

Please contact Samantha Fletcher or Rozanne Finnemore at 21st Century Pay Solutions (Tel:011 447 0306) or email your CV and covering letter to her on rfinnemore@21century.co.za by 1 December 2006. Alternatively, you can call Gillian le Cordeur at SARA (Tel: 011 789 1384) for more information on this great opportunity.

[go to top](#)

Reward Awards 2006

“Who’s walking on stilts in the reward industry?”

The winners of the reward awards, sponsored by Remchannel will be announced on 11 November 2006 for the following award categories:

Reward Strategist

Nominated: Nicolene de Beer, First National Bank; Dave Edwards, Vodacom; Dave Scotie, Bell Equipment; Yvonne Webb, Sasol Ltd

Reward Practitioner

Nominated: Andrew McKay, Sapref; Esta Morkel, Parmalat; Lee Ann Samuel, ABSA; Cheryl Theron, Professional Provident Society Insurance

Team Award

Nedbank; First National Bank; Dimension Data; South African Breweries

Judges for this year’s awards include:

Reward Strategist

Ronel Nienaber (Nedbank and SARA President)

Martin Hopkins (Value Analytics)

Reuben Olifant (Remchannel)

Reward Practitioner

Nazlie Samodien (Edcon and SARA Exco)

Bheki Shongwe (Remchannel Chairman)

Francois Vorster (University of Pretoria)

Team Award

Nazlie Samodien (Edcon and SARA Exco)

Bheki Shongwe (Remchannel Chairman)

Peet Kruger (Remuneration Partnerships)

Winners of the 2006 Reward Awards will be announced at the SARA Annual Banquet scheduled for **11 November 2006** at the **Indaba Hotel** in Johannesburg.

Last year's winner of the SARA Remuneration Practitioner Award, Anusuya Govender reports that:

“Winning the Remuneration Practitioner award has given me increased confidence, visibility, commitment and motivation to pursue greater heights in the reward profession. A special thank you to SARA for making this possible and for so pro-actively promoting and elevating the rewards profession in Africa.”

Previous winners of the Reward Awards are listed below:

- **Kirk Kruger** and **Petrus Hendriksz (SAB)** - Reward Strategist 2005
- **Anusuya Govender (Cell C)** - Reward Practitioner 2005
- **Sue Tosh (Old Mutual)** - Reward Strategist 2004
- **Willemien van der Merwe (Business Connexion)** - Reward Practitioner 2004

Their reflections on winning these professionally prestigious awards can be viewed at:

[Reward Awards](#)

[go to top](#)

SARA AGM 2006

The SARA Annual General Meeting and breakfast presentation was held on **11 October 2006** at the **Sandton Sun Grayston**, in Johannesburg.

The 2007 SARA executive committee, headed by the new President, Lukas de Swardt, and Vice President, Nazlie Samodien will be:

- Peet Kruger
- Mark Bussin
- Ronel Nienaber
- Rene Richter
- Barbara Parry
- Nicolene de Beer
- Megan Shepstone (KZN)

- Dianne Auld (CT)

A presentation following the AGM focused on the issue of “Using Grading Structures (or not?) to support the implementation of HR Strategies.” The presentations were interesting and provided new insights.

[go to top](#)

SARA EMG AGM 2006

Recently the Expatriate Management Group had its Year End Cocktail Presentation & AGM in Woodmead, Johannesburg.

The new committee, headed by chairman, Barbara Parry, will be:

- Hein Bisshof
- Emily Wilks
- Rene Stegmann
- Yvonne Webb
- Willie van Zyl
- Willemien van der Merwe

[go to top](#)

Sponsorship for Conference 2006

For those still interested in sponsorship opportunities available for the SARA conference scheduled for 9 and 10 November 2006 at the Indaba Hotel in Johannesburg, there are still some opportunities available. Any company providing sponsorship to the conference will receive acknowledgement for their contribution at the conference.

Should you wish to sponsor an item, please contact Gillian le Cordeur, at the SARA Secretariat. Tel: (011) 789-1384 or email: Gillian@vdw.co.za

[go to top](#)

SARA Conference 2006

Are you ready to meet the Rainbow Reward Challenge?

Join us at the annual SARA Conference on **9 - 10 November 2006** at the **Indaba Hotel Auditorium** in Johannesburg and get the latest insights so you can “Attract, Motivate & Retain” more effectively in your organisation.

Take home practical strategies from a variety of cutting-edge presentations, put together to bring you the latest developments in the reward profession.

Conference highlights will include:

- A presentation discussing the various dynamics of **Human Capital ROI – Scoring Opportunity or Hospital Pass?** Presented by international speaker, Richard Parkhouse, Managing Director, PRPi Consulting Limited, London
- An interesting look at **Reward Preferences According to Generations** by Annetjie Moore, HR Director, Atio Corporation
- The anticipated **Panel Discussion** that will see panellists discussing a range of topical issues around remuneration. The session will once again be facilitated by the very capable Jeremy Maggs (Radio & TV Personality). The expert panellists who will be answering a range of difficult questions from the cream of South Africa’s reward professionals include: Mark Bussin, (leading Remuneration Consultant); Rob Gentle (Financial Journalist); Vuyo Bahlekazi (Legal Advisor); and Pinky Moholi (Director: Strategy, Corporate Affairs and Marketing).

Other presentations include a talk on “**Work Life Balance**”, presented by Linda Kok from Microsoft, “**Fair Value – Hype, Hype and More Hype**”, presented by Brendan Olivier from Vasdex & Associates, “**The development of the Nedbank Employment Brand**” by Gina Davidson, as well as a case study looking at **successful recognition schemes**, presented by Dianne Auld from Pick n’ Pay.

The **Business Day** newspaper will be providing coverage of the 2006 SARA Conference.

Please remember to **register by 3 November 2006**.

[go to top](#)

SARA Banquet 2006

Join us for the anticipated highlight of the reward year – the Annual SARA Banquet, to be held at the **Indaba Hotel** in Johannesburg on **11 November 2006**.

Don’t miss this glamorous event where those who received their GRP qualification will graduate and Reward Award winners will be announced. Join us and see who is walking on stilts in the reward industry.

Don’t forget to book your seat or corporate table by 5 November.

The banquet is sponsored by **Remchannel** and articles and photos of the Reward Award winners will be published in the first **Business Day** edition following the year-end banquet.

[go to top](#)

SARA Events 2006

SARA Meetings & Function Schedule 2006			
Date	Function	Venue	Time
9/10 November	SARA Conference	Indaba Hotel	

11 November	SARA Banquet	Indaba Hotel	
14 November	Committee Meeting (Plan for 2007)	Randburg	16:00 - 18:00
November 2006	SARA KZN – all details to be Confirmed		

[go to top](#)

Research Supervisors Required

SARA members are needed to act as supervisors for students doing research on reward related issues. Earlier this year SARA decided to develop a database on research in South Africa relating to performance and reward, to counter the lack of empirical research available to assist with decision making. Several universities were approached to provide a selection of research topics for Masters and Doctoral students to assist in closing some of these knowledge gaps.

Any SARA members willing to volunteer as supervisors to students doing research for their masters degrees are asked to please contact Gillian le Cordeur at: Gillian@vdw.co.za

[go to top](#)

GRP Programme 2006

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

Date	City	Course	Module
13-15 November	Johannesburg	GR7	International Total Remuneration (John Rubino) (fully booked)
16-18 November	Johannesburg	GR8	International Benefits (John Rubino) (fully booked)
20-22 November	Cape Town	GR7	International Total Remuneration (John Rubino)
23-25 November	Cape Town	GR8	International Benefits (John Rubino)

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

[go to top](#)

Consultant Member News

21st Century has launched their web-based salary survey system – RewardOnline. The survey contains roles that are current in the South African context, with current grades

for each position. At executive level, the survey offers remuneration benchmarks for executives across a range of company sizes, including Long-Term incentive data for each position. Benchmarks reflect current, real-time information, including detail for both fixed and variable components of pay. If your organisation is interested in participating or would like more information, please contact 21st Century at:

RewardOnline@21century.co.za

[go to top](#)

Employment Opportunity

Rewards and Recognition Specialist (Remuneration Manager) Cape Town, Western Cape

To perform specialist remuneration data and input and client support across all major areas of remuneration in the business and to review, develop and communicate certain people policies and benefits, providing information, guidelines and advice on interpretation to ensure consistency and equity.

Please contact Michelle (details below) by 13 November 2006 if you are interested in this position.

Rewards and Recognition Specialist (Remuneration Specialist) Cape Town, Western Cape

To research and develop guaranteed, variable pay and benefit solutions for input into and delivery of the 3 year people strategy and 1 year rewards and recognition operating plan. Develop plans and solutions to improve the Rewards and Recognition strategy through benchmarking, research and making the necessary recommendations.

Please contact Michelle (details below) by 13 November 2006 if you are interested in this position.

Compensation & Benefits Manager (Remuneration) who will be H.O.D. Johannesburg, Gauteng

Ensures that the corporate Remuneration Policy is in place in the region by co-ordinating salary and benefit surveys and the submission of data. Analyses results and makes appropriate recommendations. Establishes and implements pay structures and co-ordinates salary revision and bonus payment exercises.

Conducts specific and general research in area of jurisdiction regarding remuneration and benefits. Makes appropriate recommendations.

Co-ordinates and actions input in respect of selected Remuneration/ Benefit surveys.

Analyses survey results, makes recommendations in light of anomalies/ trends and assists in the preparation of appropriate Benefit/ Remuneration policies and pay structures.

As a data provider extracts data and statistics relating to compensation and benefits as required in the form of routine or ad-hoc reports

Leads, co-ordinates or participates in any remuneration / benefits projects associated with incumbent's area of jurisdiction.

Provides assistance in the preparation of substantive negotiations proposals.

Please contact Michelle (details below) by 13 November 2006 if you are interested in this position.

Michelle Swart

Tel: (011) 784-7204

E-mail: michelle.s@netactive.co.za

[go to top](#)

Website Postings

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

New Job opportunities have been posted on the website at: [Employment](#)

The latest [EMG Presentations](#) posted on the website

Information on the 3rd HR Africa conference has posted on the website

Presentations from the SARA AGM/Breakfast posted on the website at: [Library](#)

[go to top](#)

Update Your Membership Details Online

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

[go to top](#)

HR Africa Summit

HR Africa Summit 2006: This premier gathering of human resource practitioners will be held from **27 - 30 November 2006** at the Southern Sun Grayston in Johannesburg. There will be an extensive range of expert speakers including experts from Botswana, Ghana, Malawi, Namibia, Nigeria and Zimbabwe. The presentations for the 2006 programme are guaranteed to be more interactive, more case study focused, more practical, and more strategic than ever before. Topics to be discussed include: using HR as a strategic alliance in your business; remuneration strategies, career development and talent optimisation; HR measurements and performance KPIs; and standardising HR practice in Africa.

We are proud that three SARA members will be presenting papers at this conference:

- Ronel Nienaber
- Nicolene de Beer
- Herman Nieuwoudt

For further details go to: www.hr-africa.com

[go to top](#)

e-reward Conference

e-reward.co.uk is organising a major one-day conference, entitled *New Realism on Reward Strategy*, to be held on **30 November 2006** in central London. An impressive panel of speakers has been lined up to discuss and explain current trends in reward strategy. The event has been planned to coincide with the publication of a new book *Strategic Reward: Making it happen* – a collaboration between e-reward's Michael Armstrong and Duncan Brown, Assistant Director General of the Chartered Institute of Personnel and Development. For more details on this event go to: [e-research](#)

[go to top](#)

New Members

New Corporate Members

- Liesl Laubscher – Chep South Africa
- Olga Hadebe – Gauteng Gambling Board
- Lino Mulungo – BHP Billitition
- Renate Sieberhagen – PPECB
- Miriam Sekati – ISC

[go to top](#)

Editor's Note

Dear Readers

I would like to take this opportunity to introduce myself to members as the new editor of this newsletter. Being my first edition, it was not without its challenges, but I have learned a great deal this month and am sure to continue to do so. I would like to thank those who assisted me with this issue and supplied much needed guidance and support.

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. If you have something you would like to share or have an article, success story or activity you would like published, please do not hesitate to contact me. Contributions need to be forwarded to me by the 15th 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.

All comments and constructive criticism is welcome and I urge you to give me feedback so I can provide you with the information you want to read about.

Regards

Iris

[go to top](#)

Iris Herz
SARA Secretariat
Van der Walt & Company
Association Management services
Tel: (011) 789 -1384
Fax: (011) 789 -1385
Email: sara@vdw.co.za
Website: www.sara.co.za