

SARA Bulletin

August 2007

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HR PROFESSIONALS KEY TO THE FUTURE OF BUSINESS

Personnel Today recently spoke to the Confederation of British Industry's (CBI's) director-general, Richard Lambert, who has insisted that HR Professionals hold the key to businesses' future fortunes. CBI's mission is to help create and sustain the conditions in which businesses in the United Kingdom can compete and prosper for the benefit of all. Lambert said, "Ten years ago companies succeeded or failed on the way they used their physical infrastructure: their factories, logistics systems and supply chains.

Now and increasingly so it is down to the ability to identify, attract, train and retain the best talent." He also said that he could see more HR professionals on main company boards in the future, but that it was up to them to make their case to chief executives. "The role of HR people is of increasing importance, and wise companies will keep that at the centre of their strategic plans for the future," he said.

For the full interview, turn to the 4 September 2007 issue of *Personnel Today*.

Saturday, 20 August
Personnel Today

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WOMEN-ONLY PENSION FUND TO LAUNCH SOON

Gloria Serobe, the chairperson of the presidential working group on women, has announced that the Women's Retirement Fund should be up and running before the end of September. The initiative will see many women belong to a retirement scheme that caters for their unique needs. The fund will also provide a safety net for women who are trapped in poverty because they don't have enough savings on which to rely during retirement.

The presidential group consists of women from business, labour organisations, non-governmental organisations and the South African Domestic Workers' Union. Research shows that about a third of the trillion rand invested in retirement savings belongs to women but less than 10% of retirement fund trustees are women. Serobe says the fund will be focused on significantly improving social-security and retirement provisions.

Rowan Burger, head of consulting strategy at Alexander Forbes, says the financial services company released a study that shows many women will reach retirement without sufficient savings to see them through their retirement. Research shows that in South Africa, 31% of people who reach retirement age have to continue working, 47% are dependent on their family, 16% depend on the government pension fund and only 6% will be financially dependent.

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THE TWO FACES OF FACEBOOK

Popular online networking website, Facebook, has taken the world by storm. Locally, it has captured the minds, imagination and time of web users around the country. The US-based site was launched in 2004 and is currently the seventh most visited site in the US. Facebook has made a name for itself in the social networking arena. Social networking websites allow users to publish a profile of themselves, which would include information such as likes and dislikes, jobs, ambitions, friends and photos. There are over 170 000 South Africans registered.

In the last few months, Facebook has made a number of headlines in local media. Companies have questioned the effects of the site on a company's productivity – with both positive and negative responses.

It is probably that most Facebook users keep their profiles up-to-date during working hours. This has resulted in business owners expressing concern over whether the website could cause a loss of company productivity, as well as a cost to the company from the bandwidth consumption. With this in mind, many South African companies have started to follow their international counterparts by blocking company employees' access to Facebook.

On the flipside of the coin, Facebook can also be used as a very valuable tool in the workplace. A popular feature found on Facebook allows users to create Groups. Some South African companies have set up Groups, which only employees can join. The sense of familiarity may act as a type of teambuilding. Users within a specific Group can post comments, pictures and invitations to share with the rest of the Group members. This kind of company networking can be used as an online intranet, of which a company's human resources department can make full use of.

Tuesday, 14 August

Various Resources

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DOES YOUR TALENT STRATEGY GIVE YOUR ORGANISATION A UNIQUE ADVANTAGE?

It had better – the competition is heating up!^[1] John Boudreau's book Beyond HR; The New Science of Human Capital gives Human Resources professional's valuable insight into a talent strategy that provides organisations with a unique advantage.

For centuries management has utilised the science of Finance and Marketing to drive the strategic business objectives. In Finance, ratios such as gross margin, cost of goods sold and profit before tax are commonly utilised to determine the strategic long term planning of the organisation. Marketing also effectively applies science in planning, forecasting and decision-making. The investment in marketing spend is commonly referred to as the 4 P's, product, price, promotion and placement. If these sciences provide organisations the instruments to plan their strategic advantage, why are we not applying a science to talentship?

Talentship decisions today are made on:

- Compliance
- Fads or fashions
- Equality
- Strategic logic

Compliance decisions are powerful as they reduce the risk of fines, penalties and expensive lawsuits. Do they give organisations a competitive advantage?

Probably not! The making of decisions on fads or fashions also produces limited results. Between 2001 and 2003 a vast number of American companies based their decisions on a performance management system which was based on the book by Jack Welch "Straight from the gut" and the successes of General Electric. The system worked for General Electric so why would it not work in other organisations? The irony is that the same system was implemented at Enron!

Human Resources Executives more often than not indicate that all their employees are equal. The *strategic* approach in this case would be called the "peanut butter approach", spreading the human capital investment equally across all employees. Of course, pivotal talent will not be retained if this approach is adopted. Organisations today are realising the value of making talentship decisions on strategic logic. The decision framework provided by Boudreau will influence every Human Capital decision made, from Talentship to Reward to HR Systems.

Five years ago HR professionals believed that they spent 9.6% of their time serving the business as a strategic partner compared to the 23.5% today. However the reality is that the percentage has only increased with 1.4% points from 21.9%. Boudreau uses the example of distinguishing between important talent and pivotal talent in the Disney context.

Who is more important or pivotal to Disney, Mickey Mouse or the Sweeper? Will a better Mickey Mouse add more value in making Disney the most magical place on earth?

Mickey Mouse never interacts with guests at the park and he is always accompanied by a supervisor. The Sweeper on the other hand must field questions such as: which lines are shorter, where to buy a disposable camera and what time the restaurants open for business. The Sweepers are therefore frontline customer representatives with brooms in their hands!

Although the Sweepers are regulated by unions in Florida, Disney has developed training programmes, clear career paths and recognition programmes for this pivotal asset. Clearly Disney manages Talent from a strategic perspective which is why Disneyland is **indeed the most magical place**.

^[1] Beyond HR: The New Science of Human Capital, John Boudreau and Peter Ramstad.

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Managing
Remchannel (Pty) Ltd

Richter
Director

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SARA - TEN YEARS OF EXCELLENCE

SARA is celebrating its 10th birthday this year - a significant achievement that has not been without its growing pains or fond "childhood memories". As part of our celebrations, SARA is gathering stories, anecdotes and memorabilia that we will be sharing at a breakfast later in the year. If you have something to share or contribute from your journey with SARA, please email Gillian Le Cordeur at gillian@vdw.co.za. It does not matter if your SARA journey began a decade ago or a day ago – if you have something to share, we want to hear it.

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SARA CONFERENCE 2007

This year's SARA Conference, themed 'The Spotlight on High Performance', will be held at the Sandton Sun Intercontinental Conference Centre from 8 to 9 November 2007. The programme has been filled with interesting and highly valuable presentations and discussions. In the field of Reward, where staying at the top of your game is a key element to success, this conference is something no member can afford to miss. Don't Delay! Contact [Gillian](#) or visit the [SARA Website](#) for more.

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THE 2007 REWARD AWARDS

CLOSING DATE FOR NOMINATIONS: FRIDAY, 7 SEPTEMBER 2007

The South African Reward Association (SARA) and Remchannel are once again recognizing the country's best Reward Practitioner and Strategist. Over the last few years, the *Reward Awards* have spotlighted the talent of South Africa's reward practices which can compete with the best in the world. Organisations are encouraged to recognize the contribution that their reward specialists have made. Nominations must be submitted to SARA by 7 September 2007. Nomination Forms can be found on the SARA website. [Please click here for the form](#). The *SARA Reward Awards* are kindly Co-Sponsored by Remchannel.

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LETTER TO THE EDITOR

Monday, 15 August 2007

The letter from Lucas De Swardt in the June bulletin refers.

The role of vendors (or consultants) within SARA is an interesting topic.

The SARA website provides a list of "Consultant Members" and "Corporate

Members” in its membership base listing. Upon browsing through the list of members one notices the following interesting listings:

- Some organisations are listed under both categories of membership
- Some consulting companies are not listed under consultant members, but are listed as corporate members
- Some consulting companies are listed as consultant members and not as corporate members.

This inconsistency implies that there is a lack of clarity regarding the role of consultants from both their perspective as well as from SARA's. Hence Mr De Swardt's invitation for discussion on this topic is well timed.

The question of whether consultants have a role to play in an organisation like SARA is an easy one to answer. The answer is clearly yes. However, the definition of such a role is not so easy and requires careful consideration.

The main objective of SARA (as per the constitution) is to "... promote the reward management profession..." Clearly, consultants can both associate with this objective and contribute to its achievement. The contribution typically occurs by way of the transfer of knowledge and skills to reward practitioners as well as through the provision of appropriate products and services.

However, consultants are clearly coming at this objective from a different angle than reward practitioners, because they make a living out of promoting their products and services to the very same persons whose profession is being promoted. Whilst the promotion of such products and services may well be aligned with the promotion of the profession it is not necessarily the case.

Therefore, consultants should ideally be accommodated in a separate category of membership within SARA. In this regard, it should be noted that, whilst the membership base listing on the website provides for a separate category of membership for consultants, the constitution is silent on it. It may, therefore be necessary to clarify this in the constitution through the creation of such a category of membership, and perhaps some outline of the consultant's role in the SARA structures.

Further to this, it would be appropriate if the committees were structured in such a way as to provide for specific and clearly defined consultant representation distinct from the standard membership. It may also be useful for SARA to compare notes with World at Work on this topic, as there may be some international guidelines for the role of Consultants within organisations such as SARA.

As concerns the use of SARA and its publications for the promotion of consulting products and services, it has been noted that some consultants have used the monthly SARA bulletin as a means of advertising. This could become problematic in that the bulletin could get overrun if all the consultants decided to

follow suit and submit advertising material dressed up as “newsworthy items” In order to deal with this, it is suggested that a fee structure be developed, whereby consultants can place adverts in the SARA bulletin at a specified fee. The fees applicable to consultants who are members of SARA should be more favourable when compared to other consultants.

We are looking forward to comments from other members.

This is a joint submission by the following consulting firms:

Global Remuneration Solutions

LMO Executive Services

Compensation Technologies

Deloitte Consulting

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SARA INTERNSHIP PROGRAMME

To all SARA Members & Supporters,

SARA has been working closely with their three interns since March. Presently, SARA has two sponsor companies who will offer employment to two of the interns at the end of their internship period. SARA is currently looking for a third sponsor company who would be able to sponsor an intern and open their door to them at the end of their programme which ends on 31 August.

The interns have spent time under the supervision of Dr Mark Bussin, 21st Century Pay Solutions and have visited many Corporates and consulting houses who have offered their time and assistance in grooming the interns. The interns have participated in the SARA Global Remuneration Professional Seminars and networked at several remuneration events. The intention of the programme has been to provide an opportunity for three black graduates to be exposed to theoretical and practical exposure in remuneration management. One of the biggest challenges in the remuneration profession is the scarcity of reward skills and specifically, black people who are trained in reward management.

The companies who have become involved with the interns have each sponsored R50,000. The intern then goes on to be employed by the sponsor company, after extensive training in member companies, the GRP Courses and with no recruitment costs. The sponsorship can then be deemed as a worthy investment.

If your company would be interested in sponsoring and then appointing a SARA intern at the beginning of September, or for any more information, please contact Gillian at the SARA Secretariat on (011) 789-1384 or email gillian@vdw.co.za.

Kind

regards,

WORK-LIFE MANAGEMENT TRAINING

By empowering employees to make decisions based on their unique work and life realities, companies have the opportunity to reap the benefits. Truly engaged and committed employees typically are more loyal and productive than those who are over-whelmed and lack focus. Work and life responsibilities shouldn't clash; they should coincide.

A company that defines, plans and executes its work-life agenda is in a position to achieve the proverbial win-win situation: Employers and employees working hand-in-hand to accommodate each other's needs and accomplish their objectives. To make this non-traditional arrangement work, employers need to consistently manage and communicate their work-life programs, policies and practices.

Improve both your organization's bottom line and the lives of your employees with work-life effectiveness programs. The work-life component of total rewards is now officially represented in our selection of course offerings with the establishment of our first three work-life effectiveness courses developed in partnership with our affiliate, Alliance for Work-Life Progress (AWLP).

W1: Introduction to Work-Life Effectiveness
Successful Work-Life Programs to Attract, Motivate and Retain Employees
Understand the Impact of Work-Life Effectiveness
Date: 1 - 3 October 2007, Johannesburg
Venue: Johannesburg - House of Pharaohs, 1 Gaunt Street, Bryanston

W2: The Flexible Workplace
Strategies for Your Organisation
Heighten Employee and Organisational Effectiveness
Date: 4 - 6 October 2007, Johannesburg
Venue: Johannesburg - House of Pharaohs, 1 Gaunt Street, Bryanston

Training is presented by David J. Thompson, Professor at Capital University in Columbus, Ohio.

For more information, please contact [Marlindi Bosch](#) or call (011) 789-1384.

The details for Cape Town are as follows:

Date:	Function:	Venue:	Availability:
November 19-21	GR 7 – Cape Town	Palm House	Space Available
November 22-24	GR 2 – Cape Town	Palm House	Space Available

The details for Johannesburg are as follows:

Date:	Function:	Venue:	Availability:
November 12-14	GR 7 - Johannesburg	House of Pharaohs	Fully Booked
November 15-17	GR 2 - Johannesburg	House of Pharaohs	Fully Booked

The details for Angola are as follows:

Dates:	Function:
September 12-14	GR 9
November 26-28	GR 7

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Expatriate Management Group News

EMG EVENTS

A EMG Panel will be held on Thursday, 11 October at Fairlawns in Morningside. Further details will be posted on the SARA Website shortly.

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EMG EVENTS

The event on the 14th November will be a big MUST for members to attend. We are fortunate to have an international speaker Andreas Beurgi address us. Beurgi is the Managing Partner of the Swiss peak performance consulting firm LWI Ltd., and he has more than 20 years of international hands-on business experience. He spent a large portion of his career initially as the MD of an international expatriate management consulting company and then as a partner at one of the "big four" consulting firms, specialising on developing and implementing international people mobility programs for multinational clients.

Most of Beurgi's career has been spent in coaching and advising expatriates,

intercultural teams and executives responsible for global business expansion to optimise their planning, processes and performance. In this context, Beurgi has also accepted a role as international faculty member with World at Work, specialising on the areas of international compensation, benefits and assignment management.

Book the date, and be sure not to miss this one!

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EMPLOYMENT OPPORTUNITIES

We trust that you have been receiving your regular SARA Jobs bulletin, and that you are benefiting from this service. Please remember to send us your opportunities, which are also posted on the SARA website at [Professional Development](#).

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INDUSTRY EVENTS

WorldatWork 2nd Annual European Total Rewards Conference
3 to 5 October 2007 – Brussels, Belgium
For more information, visit [WorldatWork](#).

WorldatWork Asia-Pacific Total Rewards Conference
31 October to 2 November 2007 – Singapore
For more information, visit: [WorldatWork](#).

The Reward Management Update 2007
28 and 29 November 2007 – London
For more information, visit: [E-reward.co.uk](#).

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WEBSITE POSTINGS

Latest e-Bulletins added to site: <http://www.sara.co.za/library/ebulletin/>
Employment: New jobs added: <http://www.sara.co.za/professionaldevelopment/employment/>
New Corporate Members Added: <http://www.sara.co.za/saraandmembership/membership/membershipbase>
GRP, new GRP Registration Form added: <http://www.sara.co.za/professionaldevelopment/grpprogramme/>
News Stories added: Women-only pension fund to launch soon, The two faces of Facebook, HR professionals key to the future of business

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EDITOR'S NOTE

Dear Readers,

Welcome to the August edition of the *SARA Bulletin*! By way of introduction, my name is Nadia and I have recently been appointed as Editor of your monthly newsletter.

As this bulletin carries the objective of keeping its readers up-to-date with the latest industry developments, I welcome and encourage you to send me your thoughts, editorial contributions and comments. I would also like to thank you for the information and support already kindly received.

I look forward to working along with you in putting together yet another successful edition in September!

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

Nadia Van Niekerk

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