

## **Compensation and Benefits in a Recession**

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With a sluggish economy, low growth and our recent downgrade to junk status, South Africans now find themselves in a new national recession. At times like these, enterprises want a healthy workforce but are hard-pressed to fund it. However, employees, facing a higher cost of living, may feel it's time to ask for a raise. Below is my advice to each party.

Demanding or begging for an increase without warning is never a good idea, especially when times are tough. For the best chance of success, try the following strategy:

### **1. Determine your worth**

Requesting a raise because you're adding value is always better than simply asking for more money. If you don't already have copies, ask HR for your employee history and performance reviews, and list how you've contributed to the company. Add anything you can remember and keep your information sources as evidence.

Do an online salary survey of your position to determine what market related remuneration seems to be, and to arrive at a reasonable figure or percentage you can ask for. Remember that benchmarking your salary in the market is very important in order to understand whether you in fact are remunerated under your worth. Remember to take into account benefits such as pension / provident fund, medical aid, study assistance, or any other items provided by your company.

Imagine the conversation that might take place and think of any possible objections to your request. Then come up with a logical, non-defensive response for each. You'll be less flustered if you're prepared, and it will build your confidence.

Do not promote your hard work as a reason for a raise, rather highlight ways you engineered to work smarter and how this increases your value as an employee.

### **2. Schedule a meeting**

Don't ambush your manager. Rather schedule a meeting and let them know it's about your salary to allow them time to prepare. At the meeting, be assertive but not combative as you state your position and provide your assessment. If they disagree, point to your evidence. While negotiating, never threaten to leave if you're not willing and able to do so, as your bluff might be called.

At the appropriate point, state your desired increase and be prepared to justify it. Also indicate if you'd be willing to settle for any perks that will save you money, such as working from home, working flexi-time or being allowed to bring your child to the office. If your manager needs approval for your raise, set a follow-up date with them and check back promptly.

Be mindful to make an appointment with a line manager that has the mandate to motivate or reject your application. Don't get caught up in a musical chair situation and by the time your application is placed on the table for discussion, it is no longer what you initially negotiated.

### **3. The result**

If you win your increase, congratulations. However, if it's denied, that doesn't mean defeat. Keep adding value, while keeping an eye on the company financials and when profits start improving, ask again. If you feel strongly that you deserve better now, you could use your research to fill out your CV and begin looking further afield.

While your employer may no longer have the funds to offer top financial compensation or benefits, other ways exist to reward and motivate employees.

When considering alternative compensation, always strive to add value to your situation. Any benefits should be tangible and immediate to provide motivation on a daily basis.

#### **4. From a Business Perspective - Saving money**

Help employees get more from their earnings. Consider engaging a lifestyle coach or financial advisor to teach staff to achieve similar comforts from a more frugal budget, reduce waste, or focus on healthier, more mindful living. This illustrates your commitment to their wellbeing and motivates them to stay productive, while it shows that the business recognises the financial difficulties that tough economic times bring.

Investing in a wellness programme can actually save money. They've been proven to reduce absenteeism, increase motivation and productivity, promote a sense of self-worth, reduce workplace stress, and make employees feel valued by the company.

If possible, let staff work from home to reduce their travel costs and enjoy a sense of freedom. This can be one day a week, alternating days or any other scheme, but have measures in place to ensure strong communication and task tracking.

Consider allowing staff to come to work and leave when they want to, as long as they're present for an agreed number of hours. They can miss traffic to or from work and have greater control of their time, which is often more appreciated than extra pay.

With new millennium technology, many office-based staff can easily schedule specific workdays to work from home. One may find that staff is more disciplined than anticipated and will appreciate this gesture as a benefit. This arrangement gives employees the opportunity to set a schedule that best works for them both personally and professionally.

Children might not need to go to afterschool care if one parent can work from home. Productivity and quality of work is a given if this is agreed and managed properly. An employer can also save on workspace and equipment.

SAPA will be hosting its annual conference this year titled Portraits of Success as follows:

- Johannesburg, Emperors Palace on 6 to 7 September
- Cape Town, Spier Wine Estate on 12 September
- Elangeni Maharani Hotel, Durban on 14 September

To register visit <http://www.sapayroll.co.za/Events/Conference.aspx>



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