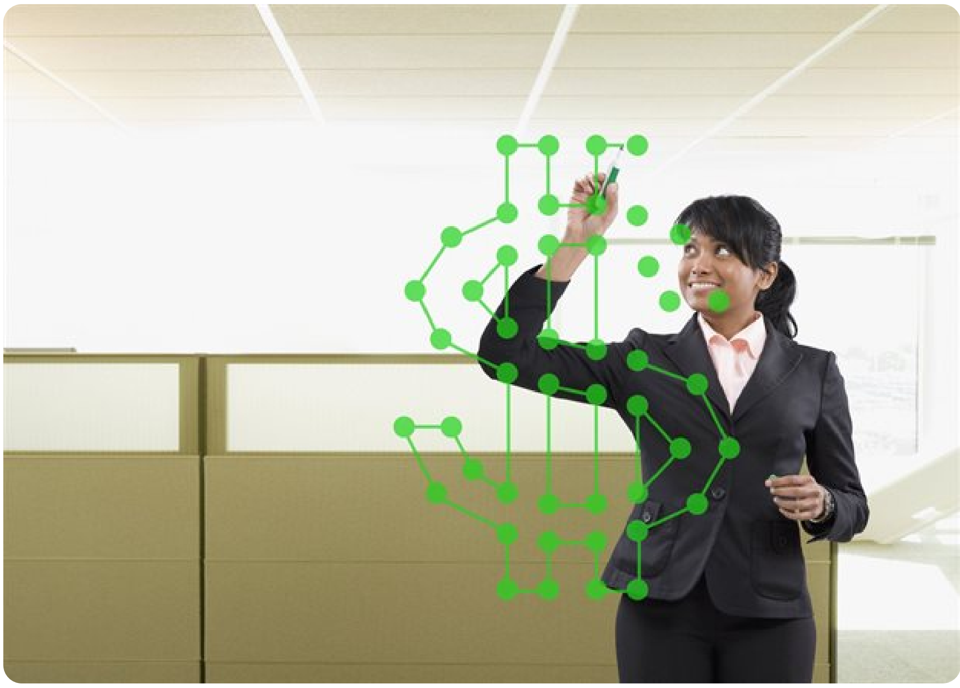
Reward and remuneration trends in Africa for 2020

As we embrace a global world, the way that companies reward and remunerate should be keepi pace with these changes. But are they? In Africa specifically, trends in 2020 will be predominar influenced by changing local labour laws and multinational corporations customising their rewar and remuneration strategies for the African context.

By Nicol Mullins 27 Jan 2020



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Changes in local leaderships should continue to see the revision of labour laws that could be a barrier to entry or an obstacle to unlocking foreign direct investment in their countries. African countries that have uncapped sick- and maternity-leave, or numerous legislated payments for local employees based on lega practices - such as Gabon, for example - may be relooking their labour laws to increase the ease of doing international business in their countries. An effective way to achieve this is by reducing restrictive legislatio and the cost of labour, which is still considered high in many parts of Africa.

Understanding African labour laws and practices

Employee-friendly remuneration structures that are enforced by the government protect jobs and encoura local development, but these laws and local practices aren't solely determined by the local government. Tl history of each country plays an equally important role in how employees in a given African country are remunerated.

Africa consists of 54 countries, depending on the definition that's being used, and these countries can be further categorised as Anglophone, which are countries that were colonised by the British; Francophone, countries which were colonised by French-speaking countries; and Lusophone, which were colonised by t Portuguese. African countries generally follow similar remuneration policies and practices. Francophone a Lusophone countries, for example, have laws and practices that are typically considered to be more employee-friendly than Anglophone countries.

If new labour laws and practices are to be considered, some of the stakeholders would include the International Labour Organisation, governments and the private sector.

SARA would like to challenge governments and both the local and international private sectors operating i these spaces to reimagine both their labour laws and remuneration strategies in a way that enables contex specific African growth.

Locally relevant rewards

Multinationals doing business in Africa have become aware that some of their global rewards and remuneration policies do not align within the local context. This trend will continue to see companies customising their strategies for the African part of their businesses.

Foreign companies are relooking how they reward staff as part of their Employee Value Proposition. Companies operating in African countries where Islam is the predominant religion, such as Morocco or Sudan for example, may provide staff with a Tabaski allowance or pay for a sacrificial lamb as part of the Muslim Eid holidays.

Companies in Nigeria often invest in infrastructure that overcomes electricity supply issues, while others could consider providing staff with bicycles to help them cover greater commuting distances in a shorter amount of time, thereby increasing productivity and ultimately profit. Understanding local needs, cultures a practices will continue to be key to rewarding staff in a way that leads to real benefits for all parties.

ABOUT THE AUTHOR

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