

## The issues revisited – Barriers to employee benefit success

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### The issues revisited

When we launched *Benefits Barometer 2013: [The employee benefits system](#)*, we quickly saw from our data what the numbers were saying: South African employees were simply not reaching retirement with adequate savings. Nor was the potential value of an individual's future income generation being adequately protected during the course of their employment. Finally, there was significant variability in our numbers OF the amount of healthcare benefits an individual might receive. In summary, employees weren't achieving physical, mental or financial well-being. What we couldn't immediately discern was why.

To unlock that critical insight, we had to work backwards. If we could disaggregate the data on our members and start trying to understand how their places of employment or the nature of their jobs might impact on the outcomes we were seeing, then perhaps we might be on to something. Intriguingly, while we could easily see that the results for the 'average' South African employee might be problematic, it emerged that there was considerable variability in results from one sector to the next. What we could begin to infer was that issues that might bring one sector to its knees might be totally trivial in another.

We began to understand that if we were going to change the course of outcomes for members, we needed to develop deep insights into what these issues were, which sectors were most affected by a given issue, what could be done to potentially alleviate their impact, and who should take on the task of the change agent. Understanding what these issues were and how they did or didn't impact on a sector then became the focus of our analysis.

This is why the next section of *Benefits Barometer 2014: Fine-tuning the employee benefits system* is essential to the overall project. This is Part 3: The Issues. In *Benefits Barometer 2013: The employee benefits system* we identified 13 issues. In 2014 we added two more.

Some of these issues relate to structural factors that trustees and employers need to be aware of because they often explain why outcomes might be considerably lower than expected. Our chapters on pensionable pay and variability in salary inflation would be cases in point. Other chapters deal with issues that relate to employees in terms of decisions or preferences that they exhibit that can impact on outcomes: the chapters on choices, unhealthy finances, absenteeism and presenteeism, incapacity, young workers and longevity are all good examples. Some Issues chapters deal with who should be in these funds and whether the benefit to them is adequate or appropriate: temporary workers, informal workers, low-income earners and incentives, and bricks and books and beyond. Finally, there were two issues that needed addressing that dealt with factors that were potentially exogenous to the fund member: mass exits and strikes.

For *Benefits Barometer 2014* we split absenteeism and incapacity, added the concept of presenteeism to the absenteeism discussion, split temporary and informal workers, changed our coverage of high salary inflation to variability in salary inflation, and added high employee turnover as an issue we had previously not included in 2013. We have also absorbed the incentives issue into low-income earners and incentives, as both chapters looked at concerns for this group: what benefits were appropriate, and what incentivise would motivate them.

In *The issues revisited – Barriers to employee benefit success: Issues*, we provide brief summaries to each of these issues and include any new insights or developments that may have emerged over the last year. But we also highly recommend that readers return to *Benefits Barometer 2013: [The employee benefits system](#)* for the original in-depth discussion of each of them.

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