

## Getting creative about value creation

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### GETTING CREATIVE ABOUT VALUE CREATION

#### A workplace for me

**“ Clients do not come first. Employees come first. If you take care of your employees, they will take care of the clients. ”**

*Sir Richard Branson*

According to the 2017 *Mercer Talent Trends Study for South Africa*, employees are seeking ways to ‘make work work’ for their individual circumstances, and many are open to new arrangements. What’s clear, however, is that one person’s benefit is another person’s burden. As we’ve opened ourselves up to choice, we are seeing many differences around the world. Culture still plays its role, and there are some very specific asks as one engages with different cultures. But let’s understand first what we mean by employee well-being. The *Occupational Health and Safety Act* (No. 85 of 1993) (OHSA) was enacted to legislate and outline conditions for protecting the health and safety of people at work, and those using plant and machinery.

The Act also provides for protection against hazards to health and safety arising from, or in connection with, the activities of people at work. The Act defines health as being “free from illness or injury attributed to occupational causes”. It outlines the general duties of employers to their employees in this regard: “Every employer shall provide and maintain, as far as is reasonably practicable, a working environment that is safe and without risk to the health of its employees<sup>1</sup>”.

There is no shortage of policy outlining the practices that cover the employer – employee relationship. However, the OHSA is of particular interest given its focus on the health of employees. It is this definition of health we wish to expand on and raise questions about. In this section, we attempt to answer the following questions:

- > What does a healthy employee look like?
- > What factors contribute to the health of employees?
- > What do employees value today?

#### Employees want support in balancing their roles as employees, citizens and family members

One important insight emerging from the *Mercer Global Talent Trends Study 2017* is that employees would like their employers to do more for, and become more directly involved in, their overall well-being. The study highlighted that it’s not just financial rewards that are important to employees. More important is the need to strike a balance between their roles as employees, citizens and family members. Coupled with this is the expectation that employers should help facilitate this balance.

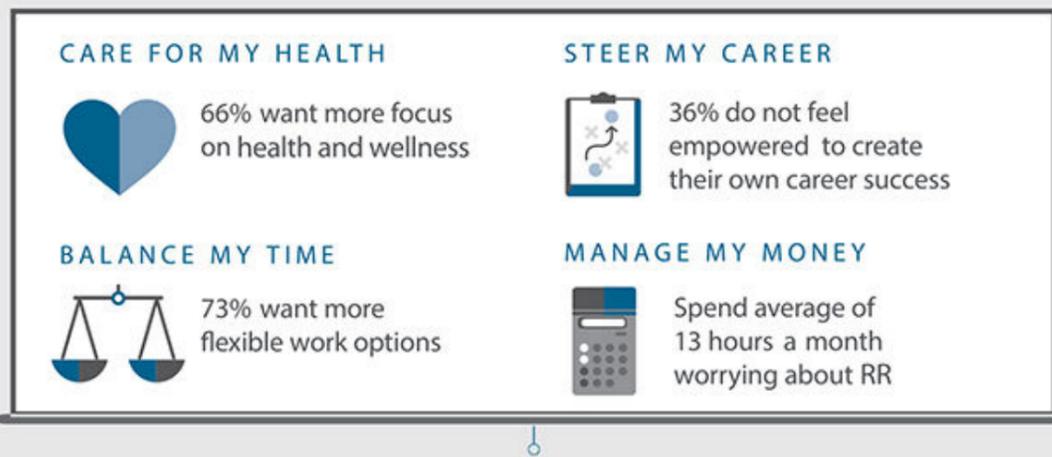
As much as organisations strive to portray themselves as an employer of choice, current and prospective employees are searching for ‘holistic employers’ that understand their unique needs and are at the forefront of changing the relationship between employer, employee, family and finances. Participants in the Mercer study stated that the following benefits and services would contribute to them considering one employer over another:

- > fitness facilities
- > well-being services

- > personal financial advice
- > recreation facilities

## A workplace for me

People expect their employer to 'make work work' for their individual circumstances. In response, companies are taking a 'whole person' approach.



Source: Mercer's global talent trends study 2017

### Care for my health – 66% want more focus on health and wellness

There is significant evidence that employee health and organisational health are interrelated, as the physical, mental and emotional health of employees can be directly linked to productivity and performance. (We unpack this relationship and provide some alternative methodologies and recommendations for making it mutually beneficial and sustainable in the case study in the section called: '[Can holistic well-being programmes change the face of family care?](#)').

The principles for a successful employee health management programme include:

- > metrics for measuring financial, productivity and performance outcomes
- > positive impact on health
- > employee participation and satisfaction
- > organisational support

### Balance my time – 73% want more flexible work options

Despite South Africa's high unemployment rate (27.7% in the first quarter of 2017<sup>2</sup>) and annual pattern of retrenchments, the Mercer Study shows that 74% of South African employees would consider working on a contract basis.

If we consider the responsibility lens, this desire is understandable. Working under contract may give people the flexibility to spend more time with their families – children in particular – pursue further studies for self-development, participate in charitable efforts and even take on a second job to cover the income–expenditure gap, or as a stepping stone to their next career.

Flexible time management options include a four-day work week, unlimited paid vacation time, and 'summer Fridays' – giving time off on certain Fridays, for example before a long weekend (based on the US practice of giving employees time off on the Fridays between Memorial Day and Labor Day).

Interestingly, the global narrative for millennials is the complete opposite. According to the *Deloitte Millennials Survey 2017*<sup>3</sup>, these employees find stable employment that provides job security and a fixed income more appealing than the thought of freelancing or contract-based work. The catalyst for this is anxiety over macro and micro geopolitical and socio-economic conditions. That said, even millennial employees desire the kind of flexibility that addresses their need for richer engagement practices between employer and employee, enables work–life balance and contributes to their holistic well-being.

### Steer my career – 36% do not feel empowered to create their own career success

Where and how do we strike a balance between empowering employees to take charge of their careers and gearing industries for the skills required in the future world of work? The World Economic Forum's Executive Briefing, *The Future of Jobs and Skills in Africa: Preparing the Region for the Fourth Industrial Revolution (May 2017)*<sup>4</sup> indicates that sub-Saharan countries have identified a growing gap in the skilled workforce – a gap that will need to be addressed, as core skills across industries and occupations will be entirely different by 2020.

Compounding this skills shortage is the estimated 15 to 20 million well-educated young people who are expected to join the workforce in sub-Saharan Africa in the next 30 years.

Given the current shortage of career empowerment and skills, employers face significant challenges in offering enriched employee experiences and quality jobs to fully benefit from this opportunity. The World Economic Forum's report, *The Future of Jobs*<sup>4</sup>, ranked the top drivers of change for the period 2015 to 2020. These drivers will determine the landscape of work in years to come. When reviewing this list, below, consider which are under the control of employees, and which are the ones employers and policymakers can shape, influence and direct, focusing on employees as the beneficiaries.

**Table 1: Drivers of change (2015 to 2020)**

Drivers of change, 2015–2020	Rank
Processing power, big data	1
Changing nature of work, flexible work	2
Middle class in emerging markets	3
Mobile Internet, cloud technology	4
Geopolitical volatility	5
Climate change, natural resources	6
Sharing economy, crowdsourcing	7
New energy supplies and technologies	8
Young demographics in emerging markets	9
Rapid urbanisation	10
Women's economic power, aspirations	11
Internet of Things	12
Advanced manufacturing, 3D printing	13
Artificial intelligence	14
Robotics, autonomous transport	15
Advanced materials, biotechnology	16

Source: World Economic Forum (2016)

Note: Survey based on South Africa only.

**Figure 1: A shift in what we value**



How does this compare with what employees want to see in an effort to improve their work situation? Mercer asked employees, “What would make a positive impact on your work situation?” Their responses indicate a focus on the contractual aspects of the employment equation, with people being especially alert to promotion criteria and market-competitive pay. What’s clear is that employees – both globally and in South Africa – want to be recognised and rewarded for a wider range of contributions (97%), not just financial results or activity metrics. This makes sense in a world that is being disrupted, when there might be a premium paid for future-role potential or current-year innovation. It’s also of interest to note ‘working with the best and brightest’ making the top 4, as **differentiated pay** will play a significant role in maintaining a ‘best and brightest’ environment.

Figure 2, extracted from the *Mercer Global Talent Trends Study 2017*<sup>5</sup>, shows an ideal model for progressive career management practices alongside the support required from employers. A key take-away is that future-focused training content is the most important and prevalent form of career support South African employees are seeking.

We know that having a compelling career is critical for retention. And from this year’s Mercer study, we also know that employees want to know what opportunities are available to them and what the criteria are for promotion.

What employees want are career options that are clearly articulated, and answers to the questions: How am I doing today? Where can I go? What do I need to get there? And what are the expectations?

Mercer asked employees: “What is most important in supporting your career and how prevalent is that practice in your organisation today?” The responses are quite revealing.

The good news is that in South Africa, HR initiatives are generally in line with what is important to employees – for example, offering training content that is well aligned to future skills and ensuring managers have regular career conversations with their staff.

To really charge the growth engine, HR can place even greater focus on areas that are deemed important, but are not yet prevalent, in the employee support model (those in the top-left quadrant of Figure 2), for example, opening a career centre where employees can drop in to get advice, and being more transparent about pay.

In the article called [‘Solving for SMMEs and sole proprietors’](#), we examined the skills required for the labour force of the future to participate effectively in this changing world of work. [‘Early childhood learning – a head start in life’](#) then looks at ways employers can enable the development of these skills within the South African context.

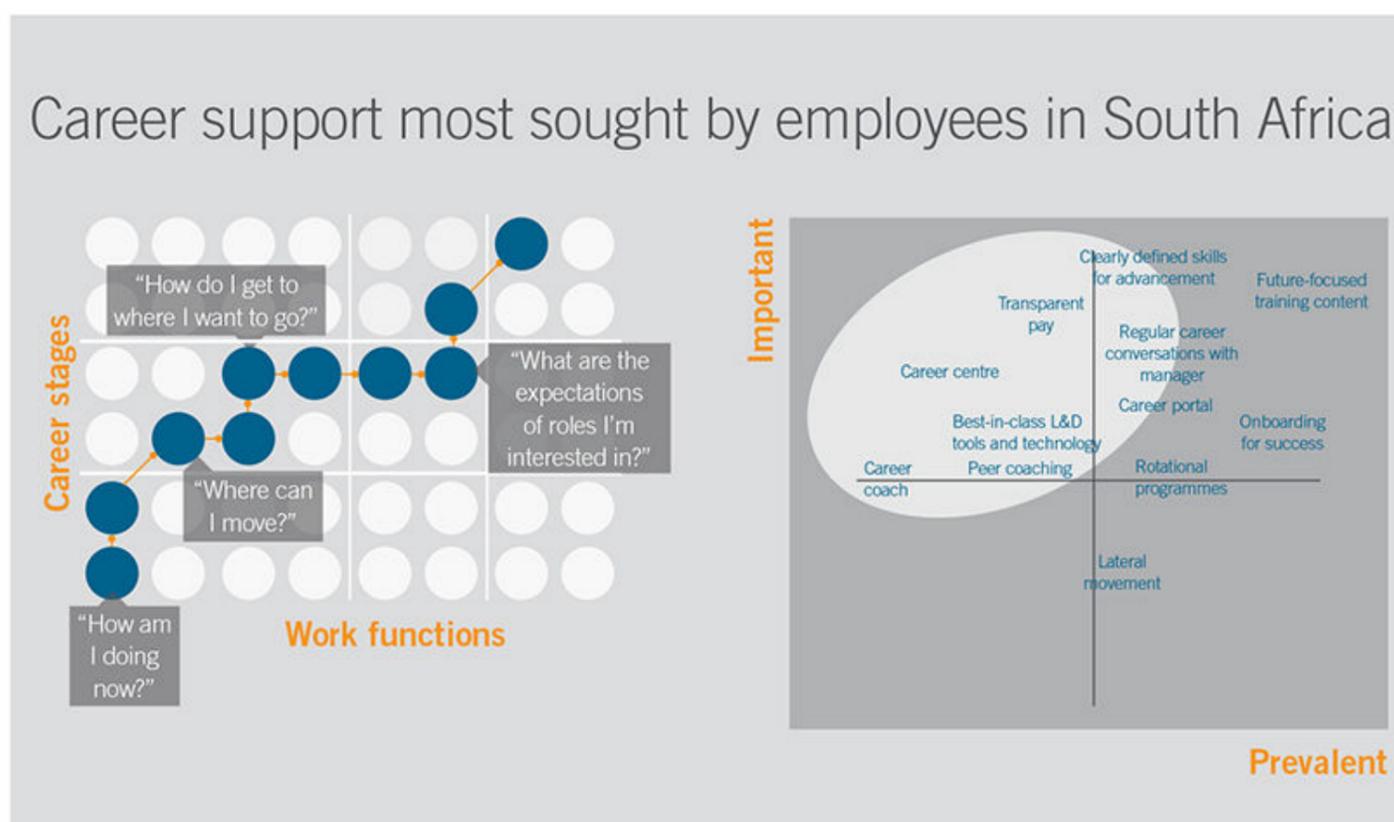
**Manage my money – employees spend an average of 13 hours a month worrying about money**

In the article called [‘Can holistic well-being programmes change the face of family care?’](#) we delve into the question of well-being programmes in the workplace, with a specific focus on financial well-being. This naturally raises a question about the extent to which employers should become involved in the financial circumstances of employees.

If employees are spending 13 hours a month worrying about their finances, there’s a likelihood that this will play out in ways that detract from performance and productivity: absenteeism, high-risk behaviour (fraud), an increased number and value of garnishee orders, emotional distress, strain on family relationships, and, in extreme cases, resignation in an effort to access retirement savings to settle debt.

We explored this question in considerably more detail in this article.

**Figure 2: Career support sought by employees in South Africa**



Source: Mercer (2017)

**In summary**

Ultimately, we as employers, employees, policymakers and contributors, should obsess over the question: how do we design and implement employee experiences that solve for engagement, productivity and growth in a responsible, sustainable and transformational manner?

As we explore the question, let's frame it in the context of the organisation of the future, employee experience, talent acquisition, careers and learning, leadership, market differentiation, competitive advantage, performance management, and diversity and inclusion.

Global expert on the employee experience, Lisa Morris, makes the point that building an effective employee experience starts with understanding the 'humanness' of employees. This is about empathising deeply with the employee's reality. This is about designing improved interactions with the employee throughout the work experience. What it's not about is simply focusing on the result of an employee survey or some engagement score.

Morris outlines five principles for organisations to practise as part of the 'employee experience revolution':

- 1 Embrace the whole person – empathise with their reality. Appreciate their responsibility lens.
- 2 Choose connection over utility – build relevance and value. Employees have a choice – you want them to choose you.
- 3 Synchronise culture, brand and experience through interactions that are authentic and purposeful.
- 4 Align internal functions across teams, building organisational bridges that embrace the employee. This is about a holistic experience and breaking down organisational silos.
- 5 Put employees first in every interaction, internally and externally.

Morris goes on to state that employees who find purpose and meaning in their relationship with their employer are 93% more engaged and 117% more likely to remain with the organisation.

It therefore makes sense for employers to investigate new, creative ways of adding value to their employees. In our article on '[Benefits that matter: Life-planning tools](#)', we explore some of these options, from the 'traditional' healthcare benefit offering to a 'new wave' of benefits that include assistance with employees' housing and transport needs, and the provision of early childhood learning facilities at the workplace.

## References

- 1 Republic of South Africa. No. 85 of 1993: *Occupational Health and Safety Act as amended by Occupational Health and Safety Amendment Act, No. 181 of 1993*.
2. Stats SA. 2017. South African unemployment rate, [tradingeconomics.com](http://tradingeconomics.com).
- 3 Deloitte. 2017. *Deloitte millennial survey 2017*.
- 4 World Economic Forum. 2017. Executive briefing. *The future of jobs in South Africa: preparing the region for the Fourth Industrial Revolution*.
- 5 Mercer. 2017. *Mercer Global Trends Study 2017*.

[EMPLOYEE BENEFITS](#)

[EMPLOYEE WELL-BEING](#)

[CAREER DEVELOPMENT](#)

[EMPLOYEE VALUES](#)