A vintage-style silver microphone is positioned in the center-left of the frame. To its right, a graphic of concentric circles in shades of blue, teal, and yellow is visible. The background is a dark, textured grey.

COVID-19 REMUNERATION ACTIONS SURVEY 2 RESULTS

June 2020



SOUTH AFRICAN REWARD ASSOCIATION

PROMOTING AND DEVELOPING
THE REWARD PROFESSION AND PRACTICES

SURVEY SAMPLE

The survey sample size represents feedback from 75 individuals in 71 organisations across private and public sectors. Organisation size ranges from SMMEs to large corporates.

SUMMARY RESULTS

Pay cuts for senior employees (Paterson bands E&F)

- **60% of surveyed employers are enforcing pay cuts for these employees**
- **50% of these report this cut will be in effect for 3months**
 - 11% for 6-12 months
 - 9% for less than 3 months
 - 9% for 3-6 months
 - 21% are unsure
- **53% report the cut amounts have been used to protect jobs and/or sure up business performance**
 - 33% have donated the cut amounts to one of the Covid-19 relief funds
- **44% report that the affected salaries will revert back to normal at the end of the cut period**
 - 32% will review the position at the end of the cut period
 - 5% report the cut amount may become permanent
 - 5% report other arrangements
 - 4% report that the cut amount may be paid back to the employee
 - 10% are unsure

SUMMARY RESULTS

Pay cuts for middle management employees (Paterson band D)

- **32% of respondents have implemented, or are considering, a pay cut for these employees**
- **Of these, 40% report the cut amount is between 11-15%**
 - 20% between 6-10%
 - 20% between 16-20%
 - 12% between 21-25%
 - 4% between 0-5%
 - 4% over 25%
- **28% report this cut will be in effect for 3months**
 - 28% are unsure
 - 16% for 6-12 months
 - 16% for 3-6 months
 - 12% for less than 3 months
- **95% report the cut amounts have been used to protect jobs and/or sure up business performance**
- **42% report that the affected salaries will be reviewed at the end of the cut period**
 - 37% report that salaries will revert back to normal at the end of the cut period
 - 11% report that the cut amount may be paid back to the employee
 - 5% report that the cut amount may become permanent

SUMMARY RESULTS

Pay cuts for skilled employees (Paterson band C)

- **25% of respondents have implemented, or are considering, a pay cut for these employees**
- **Of these, 35% report the cut amount is between 6-10%**
 - 30% between 16-20%
 - 25% between 11-15%
 - 5% between 0-5%
 - 5% over 25%
- **35% report this cut will be in effect for 3months**
 - 40% are unsure
 - 15% for less than 3 months
 - 5% for 3-6 months
 - 5% for 6-12 months
- **90% report the cut amounts have been used to protect jobs and/or sure up business performance**
- **41% report that the affected salaries will be reviewed at the end of the cut period**
 - 37% report that salaries will revert back to normal at the end of the cut period
 - 11% report that the cut amount may be paid back to the employee
 - 7% report that the cut amount may become permanent

SUMMARY RESULTS

Pay cuts for semi-skilled employees (Paterson band B)

- **14% of respondents have implemented, or are considering, a pay cut for these employees**
- **Of these, 38% report the cut amount is between 6-10%**
 - 15% between 0-5%
 - 15% between 11-15%
 - 15% between 16-20%
 - 15% over 25%
- **38% report this cut will be in effect for 3months**
 - 30% are unsure
 - 15% for less than 3 months
 - 8% for 3-6 months
 - 8% for 6-12 months
- **82% report the cut amounts have been used to protect jobs and/or sure up business performance**
- **46% report that the affected salaries will be reviewed at the end of the cut period**
 - 24% report that salaries will revert back to normal at the end of the cut period
 - 12% report that the cut amount may become permanent
 - 12% are unsure
 - 6% report that the cut amount may be paid back to the employee

SUMMARY RESULTS

Pay cuts for unskilled employees (Paterson band A)

- **13% of respondents have implemented, or are considering, a pay cut for these employees**
- **Of these, 28% report the cut amount is between 6-10%**
 - 25% between 0-5%
 - 18% between 16-20%
 - 18% over 25%
 - 9% between 11-15%
- **27% report this cut will be in effect for less than 3 months**
 - 27% for 3-6 months
 - 10% for 6-12 months
 - 36% are unsure
- **100% report the cut amounts have been used to protect jobs and/or sure up business performance**
- **50% report that the affected salaries will be reviewed at the end of the cut period**
 - 25% report that salaries will revert back to normal at the end of the cut period
 - 17% report that the cut amount may be paid back to the employee
 - 8% are unsure

SUMMARY RESULTS

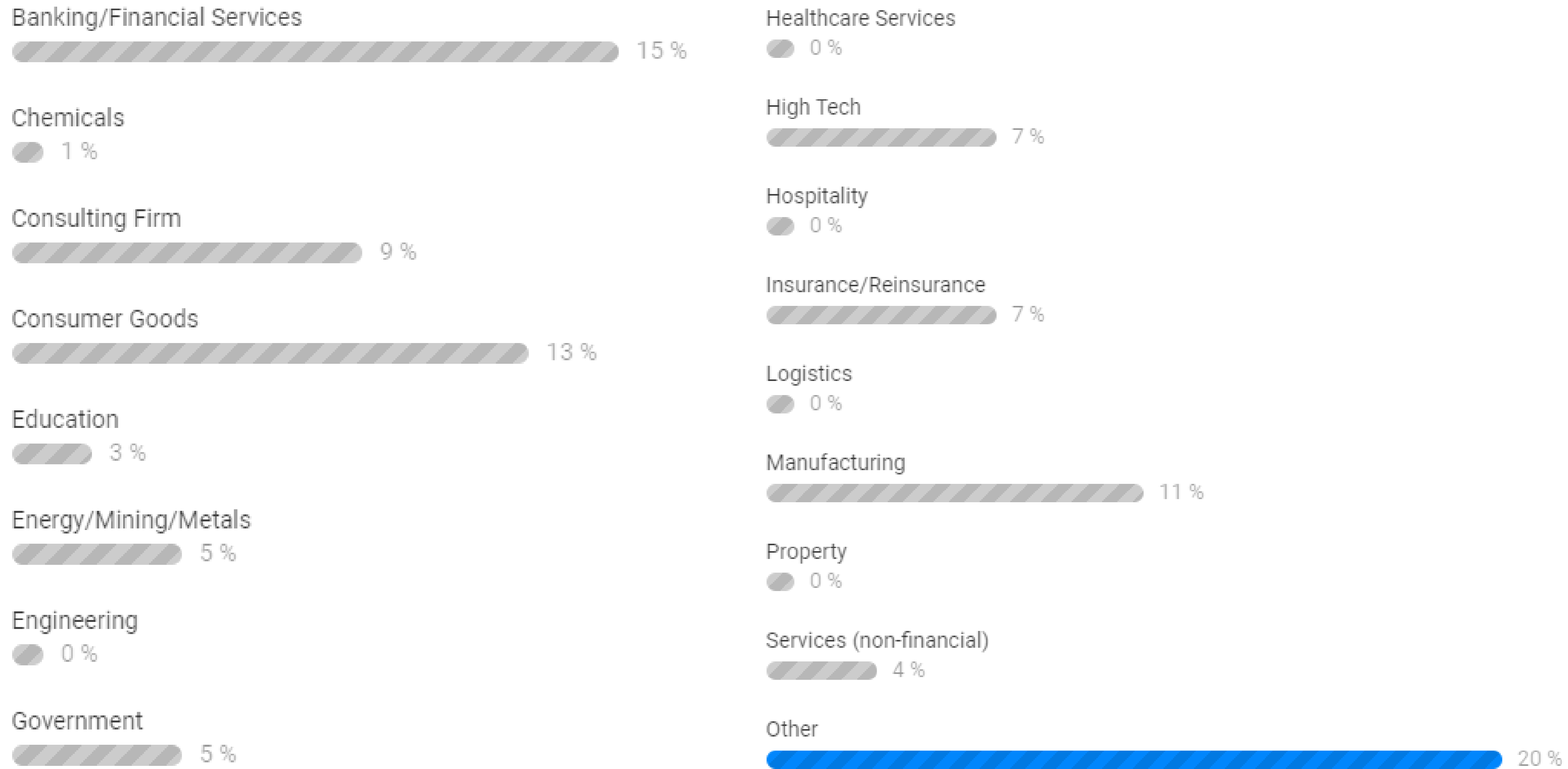
Pay cuts for NEDs

- **For the 62% of respondents who make use of NEDs, 29% have implemented, or are considering, a pay cut for these directors**
- **Of these, 59% report the cut amount is over 25%**
 - 17% between 20-25%
 - 8% between 0-5%
 - 8% between 11-15%
 - 8% between 16-20%
- **35% report this cut will be in effect for 3 months**
 - 30% for 6-12 months
 - 5% for 3-6 months
 - 30% are unsure
- **60% report the cut amounts have been used to protect jobs and/or sure up business performance with 27% indicating donation to relief fund(s)**
- **38% report that the affected fees will be reviewed at the end of the cut period**
 - 33% report that fees will revert back to normal at the end of the cut period
 - 5% report that the cut amount may be paid back to the director
 - 5% report that the cut amount may become permanent
 - 19% are unsure or have made other arrangement

SURVEY RESULTS

Detailed Responses

4 Please select the primary sector in which your organisation operates?



5 If you selected 'Other' in Q4 above, please confirm what sector you operate in?

Oil and Gas

NGO - healthcare services

Project Management Office

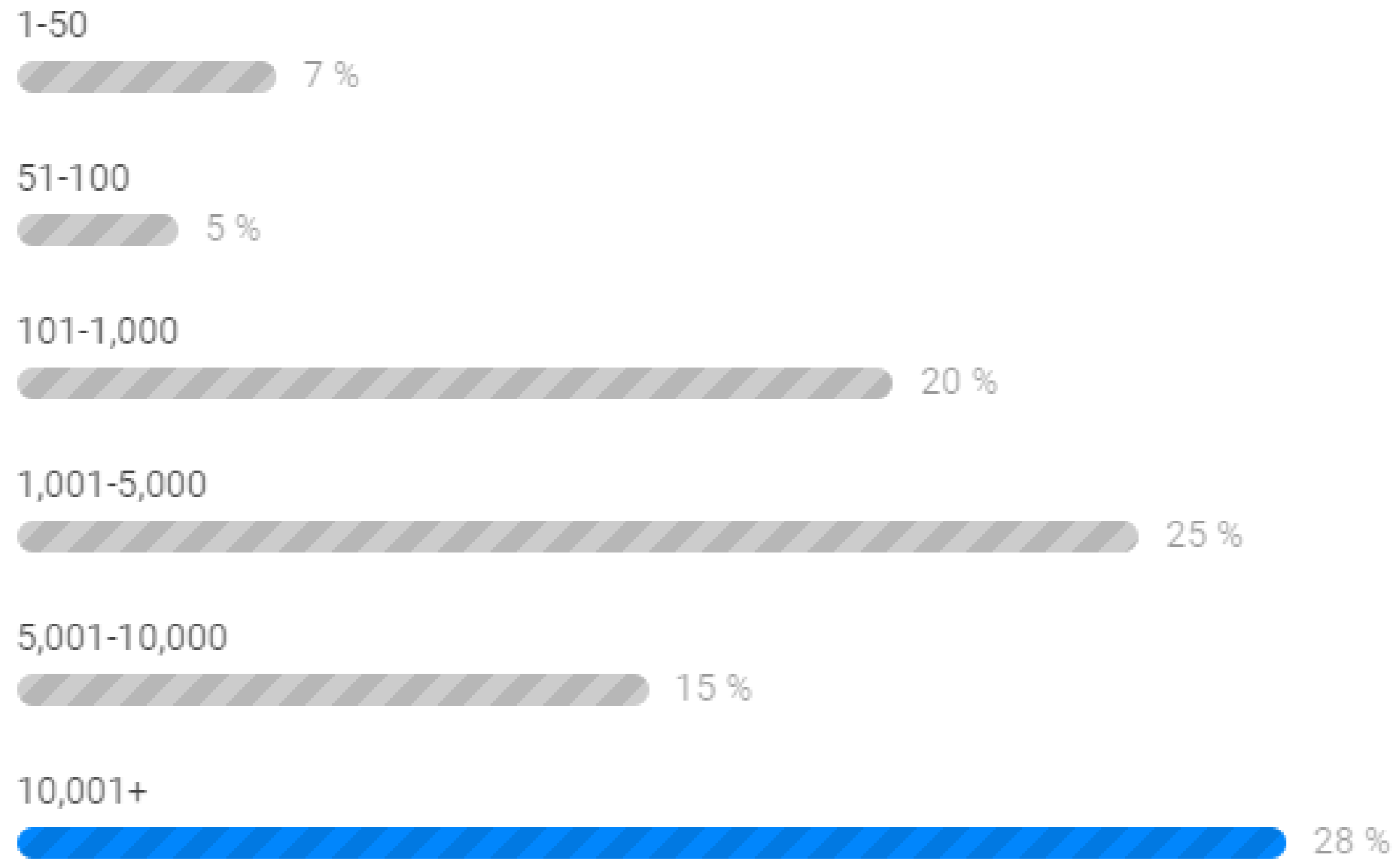
HR and Rem Consulting

Consulting Firm

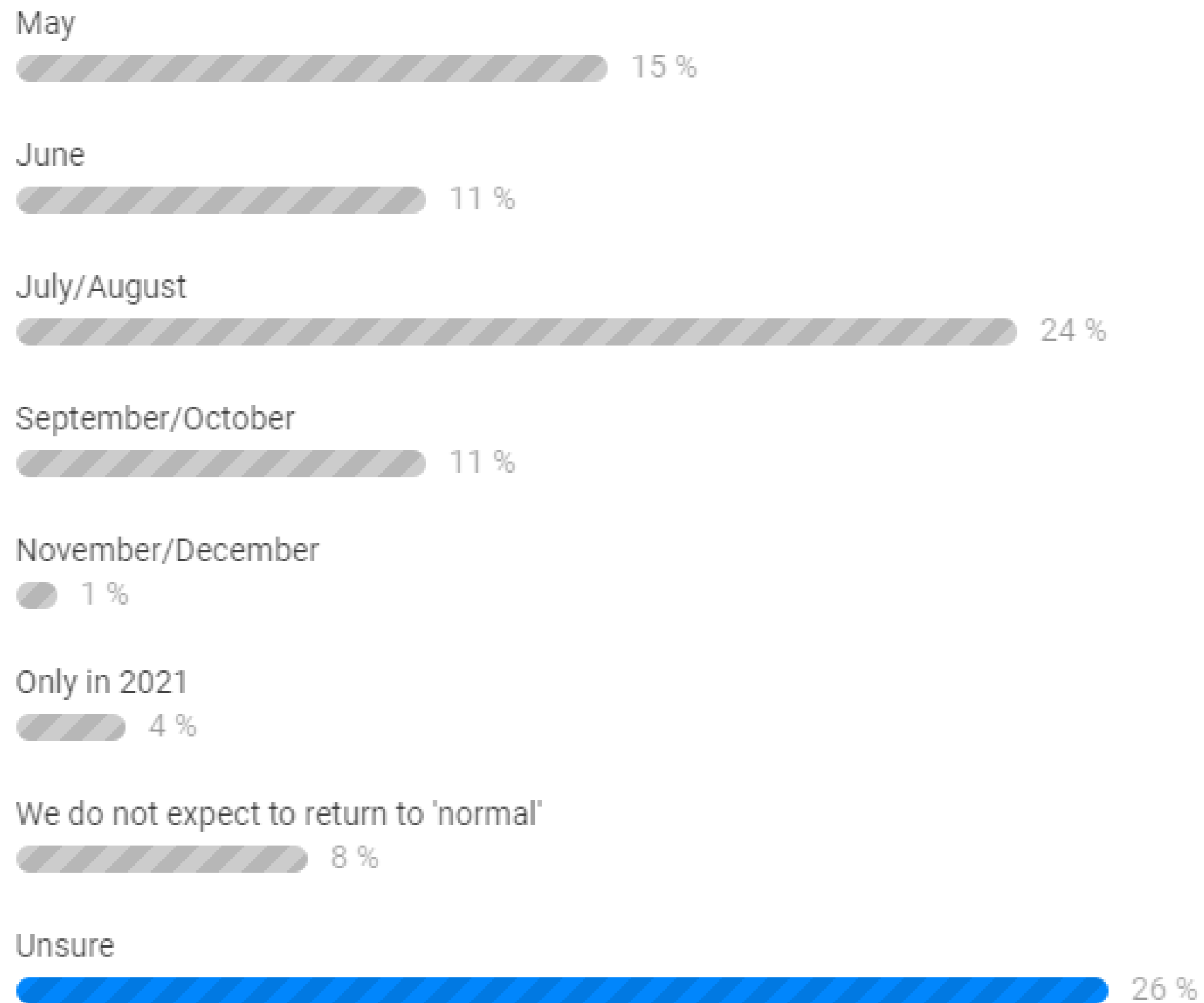
Telecommunication

Security

6 Please indicate the size of your organisation (number of employees)?



7 Based on the state of the pandemic and the announced lockdown levels, when does your organisation plan to resume 'normal operations'?



8 If your most senior employees (Paterson band E and F) have taken, or are considering taking a pay cut to their guaranteed package, for what period will this cut be in effect?

Less than 3 months



3 months



3-6 months



6-12 months



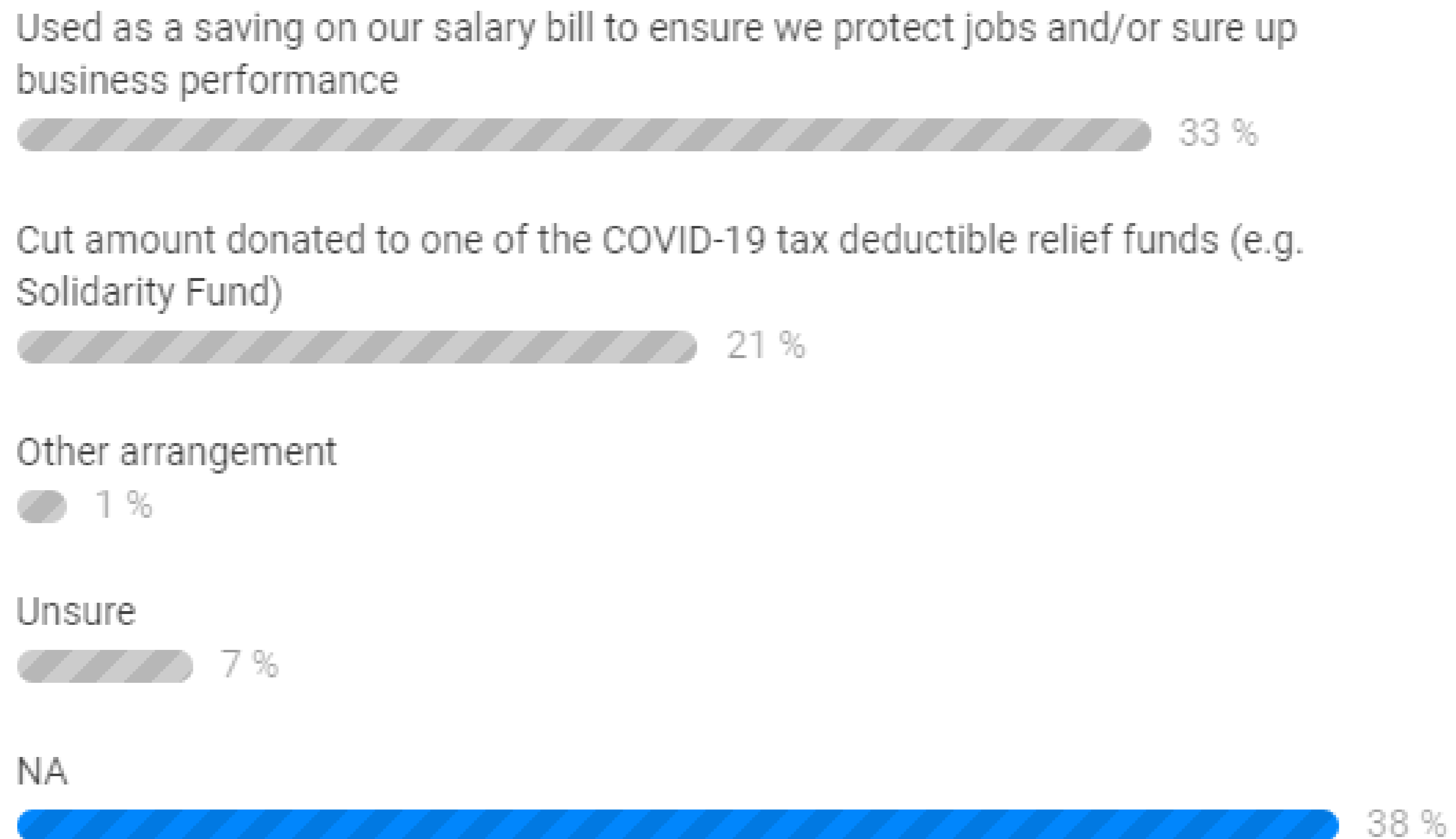
12 months+



Unsure



9 Referring to Q8 above, what is being done with the cut amount?



10 Referring to Q8 above, if you have implemented, or are considering implementing a pay cut to your most senior employees, what happens at the end of the agreed cut period? (select all that may apply)

Salary reverts back to normal



Depending on the state of affairs, the cut amount will/may be paid back to the employee



The reduction may become permanent



We will determine at the end of the period



Other arrangements



Unsure



NA



11 If you selected 'Other arrangements' to Q10 above, please elaborate on these arrangements?

voluntary choice of 30% pay cut and to fund of choice (solidarity or other recognised fund). No compulsory company imposed pay cuts.

voluntary pay deductions are paid to the Solidarity fund

The pay cut percentage will be reduced after assessment and regulations relaxing

12 Have you implemented, or are you considering implementing, a pay cut to the guaranteed package of your middle management employees (Paterson band D)?

Yes, implemented



Yes, considering



No



Unsure



13 If you answered 'yes' to Q12 above, what quantum of pay cut is being considered or has been implemented for these employees?

0-5%

2 %

6-10%

8 %

11-15%

16 %

16-20%

8 %

21-25%

5 %

25%+

2 %

NA

61 %

15 Referring to Q12 above, what is being done with the cut amount?

Cut amount used as a saving on our salary bill to ensure we protect jobs and/or sure up business performance



Cut amount donated to one of the COVID-19 tax deductible relief funds (e.g. Solidarity Fund)



Other arrangement



Unsure



NA



16 If you answered 'yes' to Q12 above, what happens at the end of the period for which the salary cut is enforced? (select all that might apply)

Salary reverts back to normal
 21 %

Depending on the state of affairs, the cut amount wil/mayl be paid back to the employee
 6 %

The reduction may become permanent
 3 %

We will determine at the end of the period
 24 %

Other arrangements
 0 %

Unsure
 3 %

NA
 59 %

17 Have you implemented, or are you considering implementing, a pay cut to the guaranteed package of your skilled employees (Paterson band C)?

Yes, implemented



Yes, considering



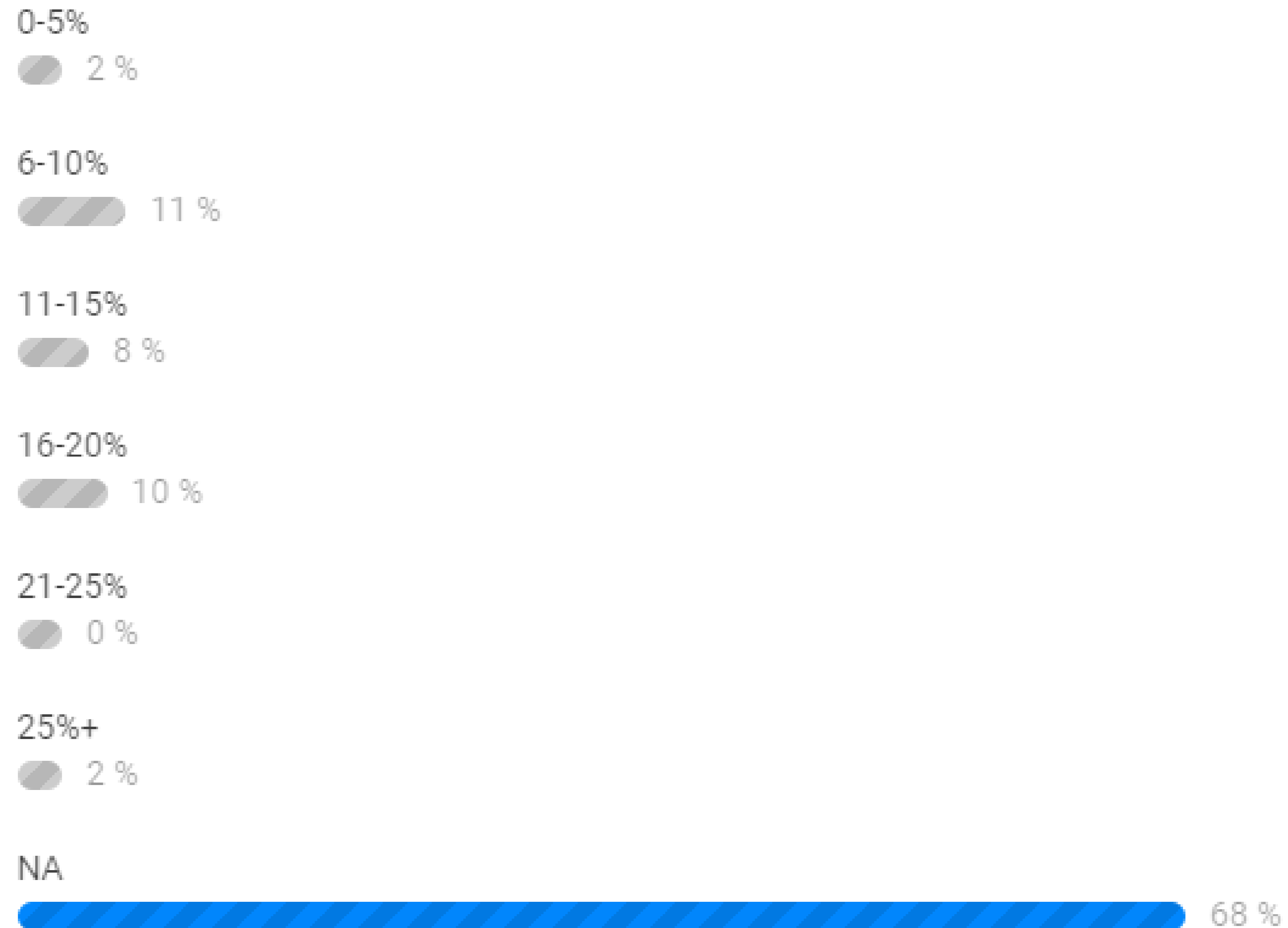
No



Unsure



18 If you answered 'yes' to Q17 above, what quantum of pay cut is being considered or has been implemented for these employees?



19 If you answered 'yes' to Q17 above, for what period will this cut be in effect?

Less than 3 months

5 %

3 months

11 %

3-6 months

3 %

6-12 months

3 %

12 months+

0 %

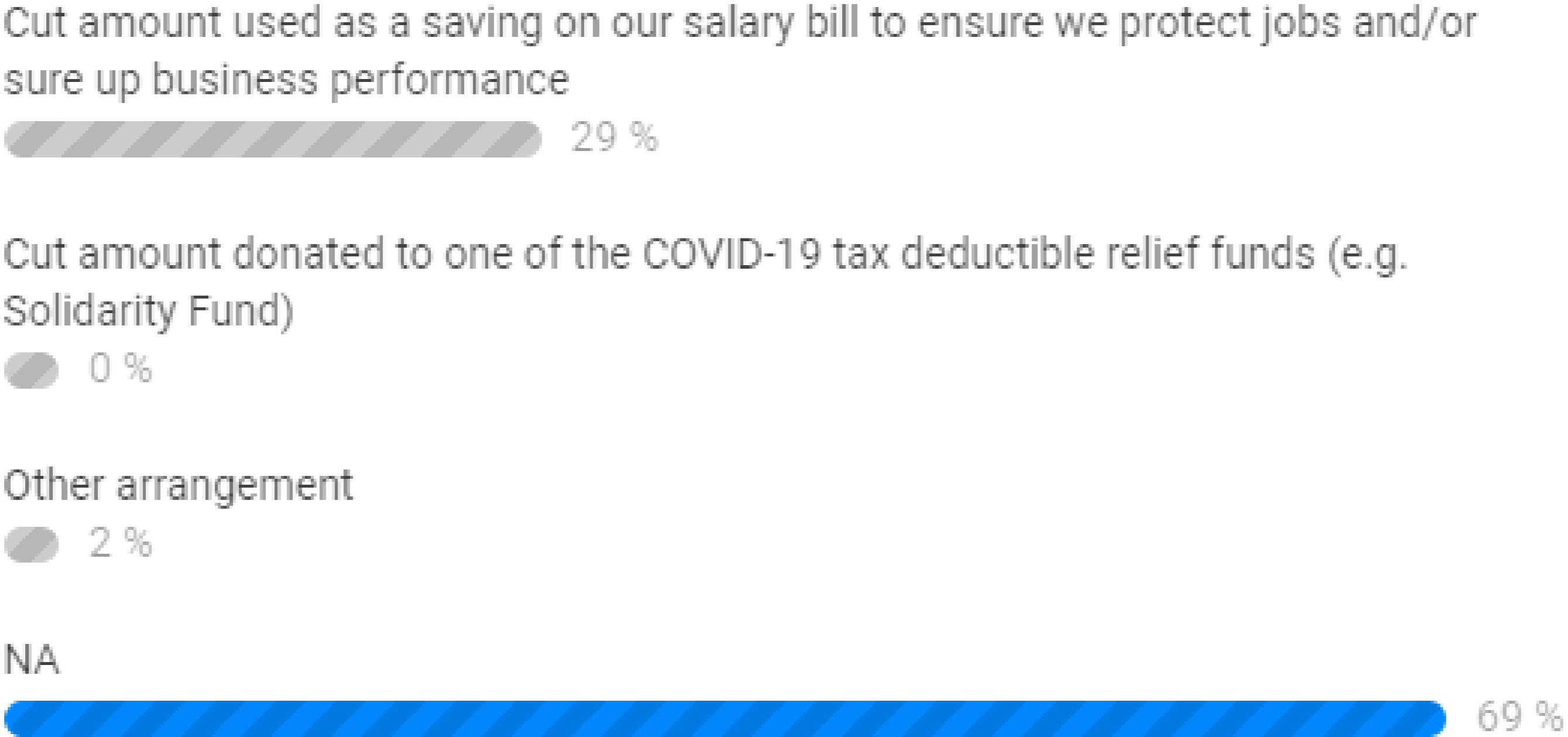
Unsure

13 %

NA

65 %

20 Referring to Q17 above, what is being done with the cut amount?



21 If you answered 'yes' to Q17 above, what happens at the end of the period for which the salary cut is enforced? (select all that might apply)

Salary reverts back to normal



Depending on the state of affairs, the cut amount will/may be paid back to the employee



The reduction may become permanent



We will determine at the end of the period



Other arrangements



Unsure



NA



22 Have you implemented, or are you considering implementing, a pay cut to the guaranteed package of your semi-skilled employees (Paterson band B)?

Yes, implemented



Yes - considering



No



Unsure



23 If you answered 'yes' to Q22 above, what quantum of pay cut is being considered or has been implemented for these employees?

0-5%

3 %

6-10%

8 %

11-15%

3 %

16-20%

3 %

20-25%

0 %

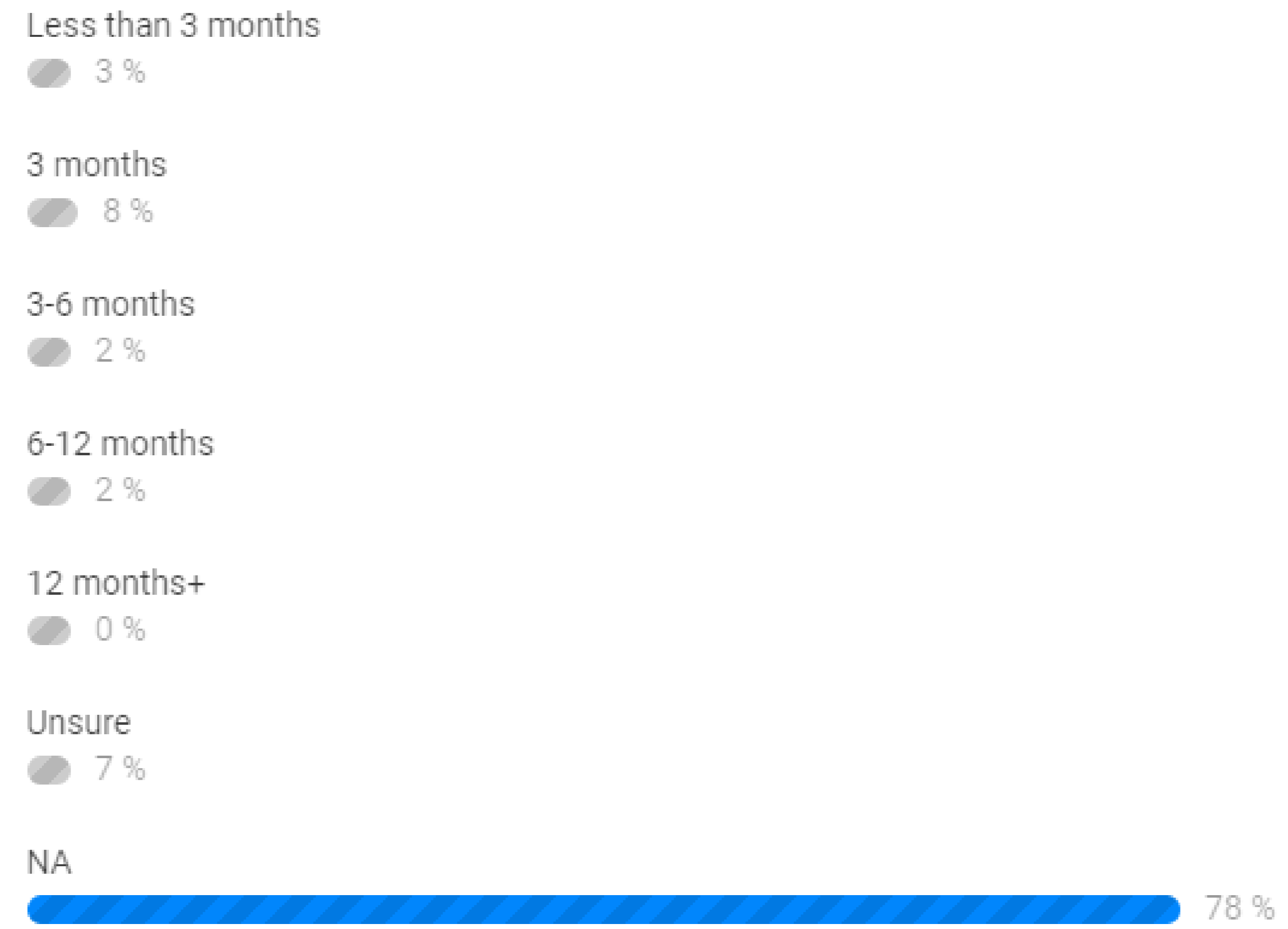
25%+

3 %

NA

79 %

24 If you answered 'yes' to Q22 above, for what period will this cut be in effect?



25 Referring to Q22 above, what is being done with the cut amount?

Cut amount used as a saving on our salary bill to ensure we protect jobs and/or sure up business performance



Cut amount donated to one of the COVID-19 tax deductible relief funds (e.g. Solidarity Fund)



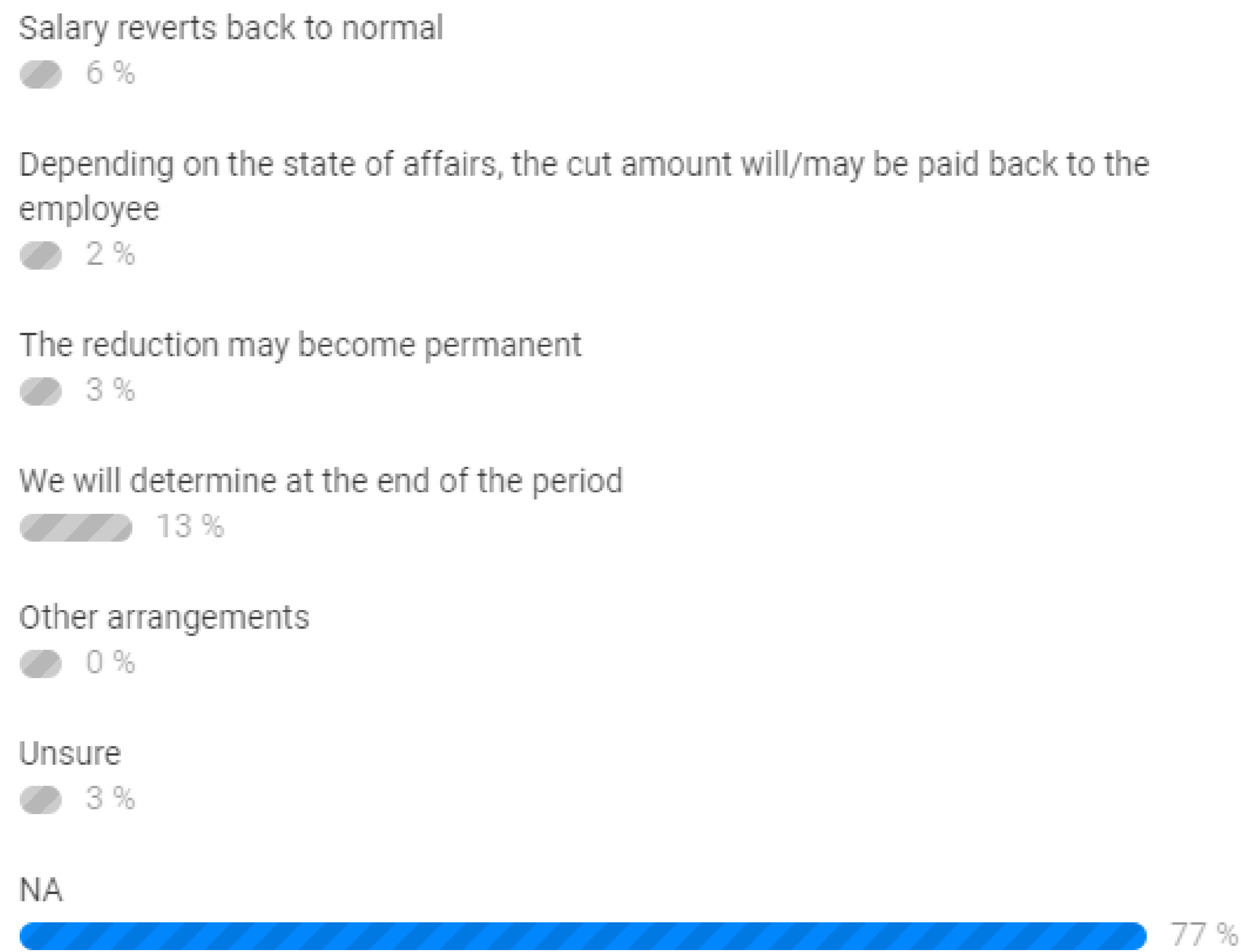
Other arrangement



NA



26 If you answered 'yes' to Q22 above, what happens at the end of the period for which the salary cut is enforced? (select all that might apply)



27 Have you implemented, or are you considering implementing, a pay cut to the guaranteed package of your unskilled employees (Paterson band A)?

Yes, implemented



Yes, considering



No



Unsure



28 If you answered 'yes' to Q27 above, what quantum of pay cut is being considered or has been implemented for these employees?

0-5%

5 %

6-10%

6 %

11-15%

2 %

16-20%

3 %

20-25%

0 %

25%+

3 %

NA

81 %

29 If you answered 'yes' to Q27 above, for what period will this cut be in effect?

Less than 3 months

● 5 %

3-6 months

● 5 %

6-12 months

● 2 %

12 months+

● 0 %

Unsure

● 7 %

NA

● 82 %

30 Referring to Q27 above, what is being done with the cut amount?

Cut amount used as a saving on our salary bill to ensure we protect jobs and/or sure up business performance



Cut amount donated to one of the COVID-19 tax deductible relief funds (e.g. Solidarity Fund)



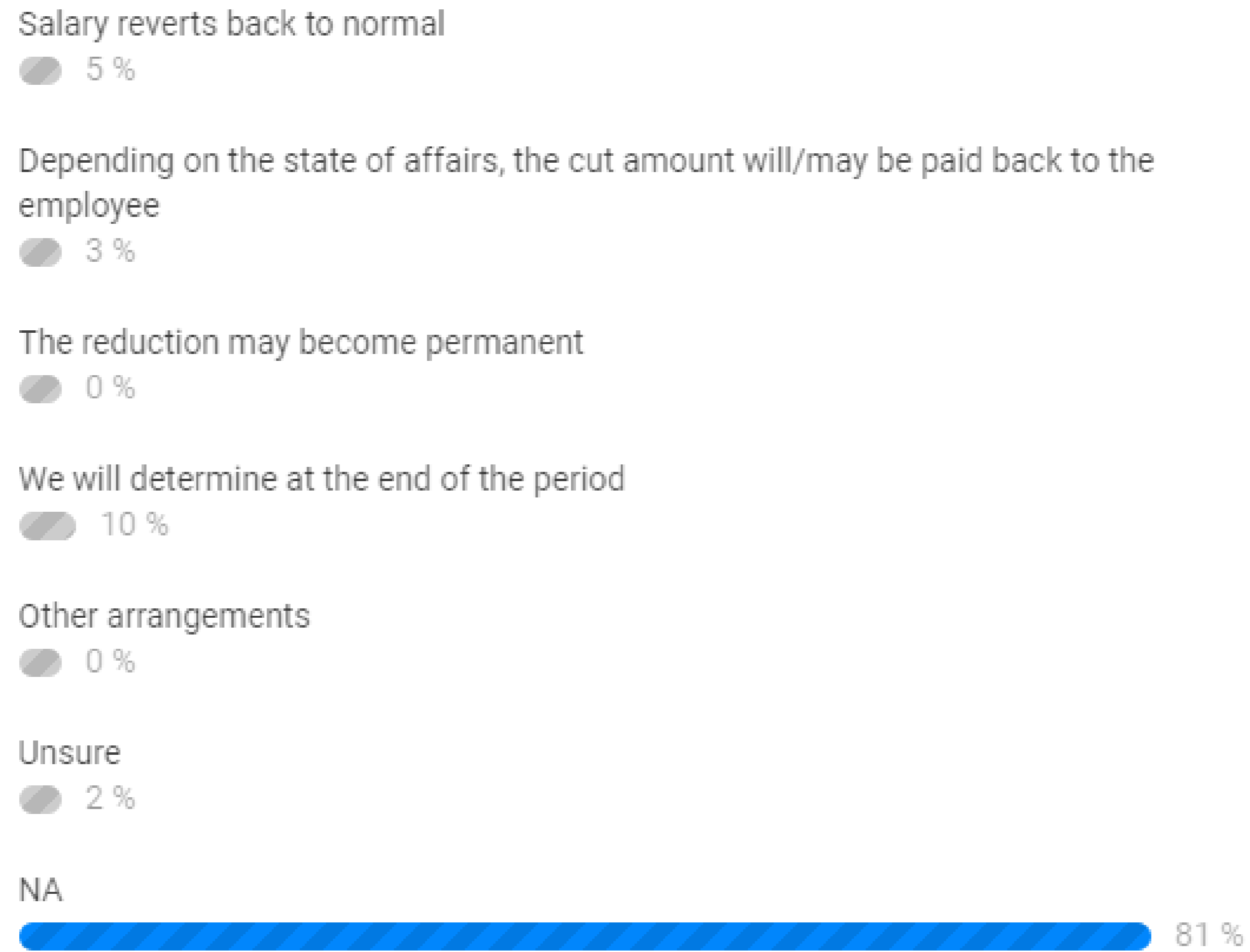
Other arrangements



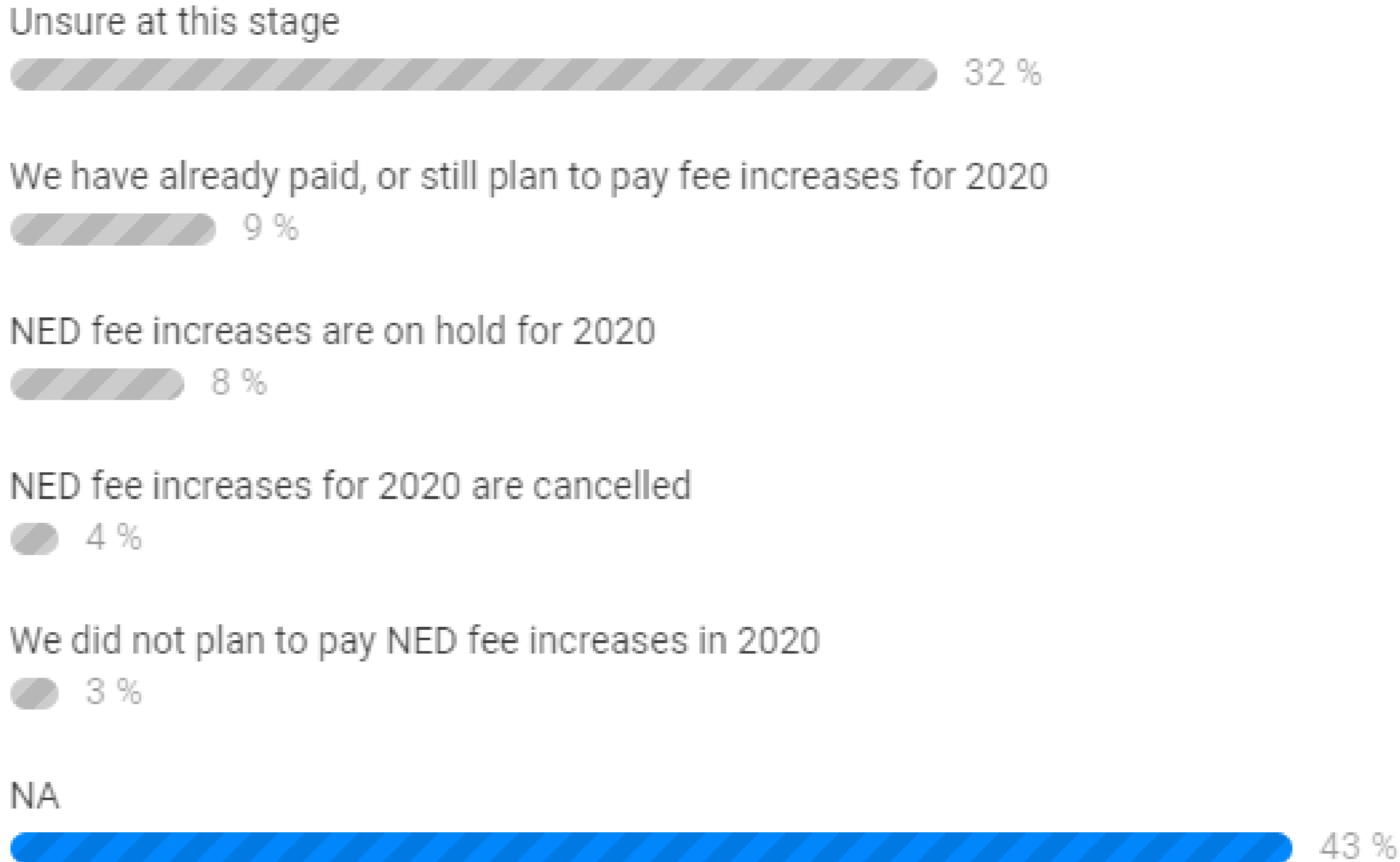
NA



31 If you answered 'yes' to Q27 above, what happens at the end of the period for which the salary cut is enforced? (select all that might apply)



32 What approach is your organisation taking in terms of salary increases for your Non-Executive Directors (NEDs) for the year?



33 If you selected option 'b' in Q32 above, what percentage of fee increase have you, or do you plan to implement in 2020?

0-2%

2 %

2-4%

3 %

4-6%

6 %

6%+

2 %

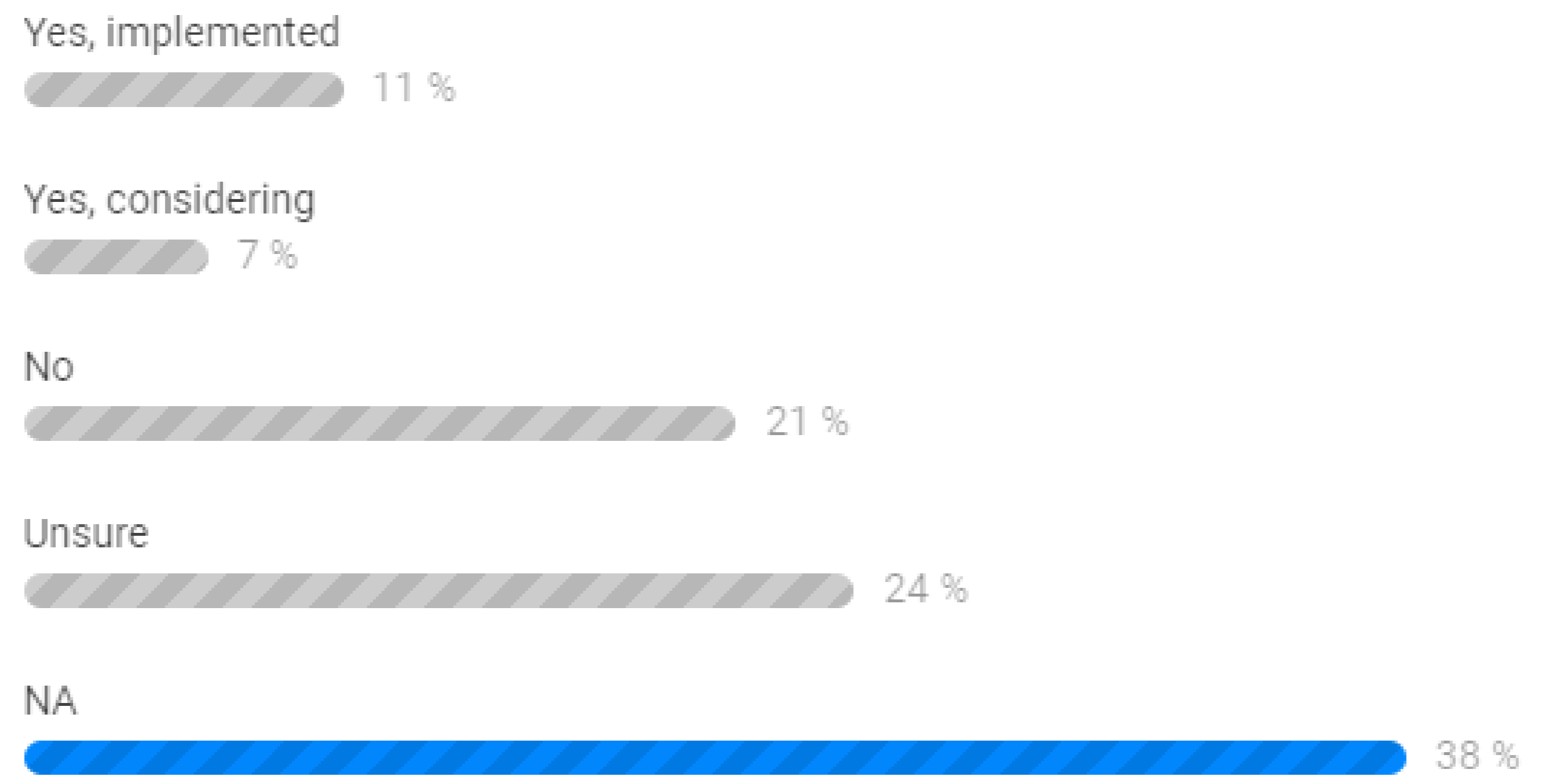
Unsure

16 %

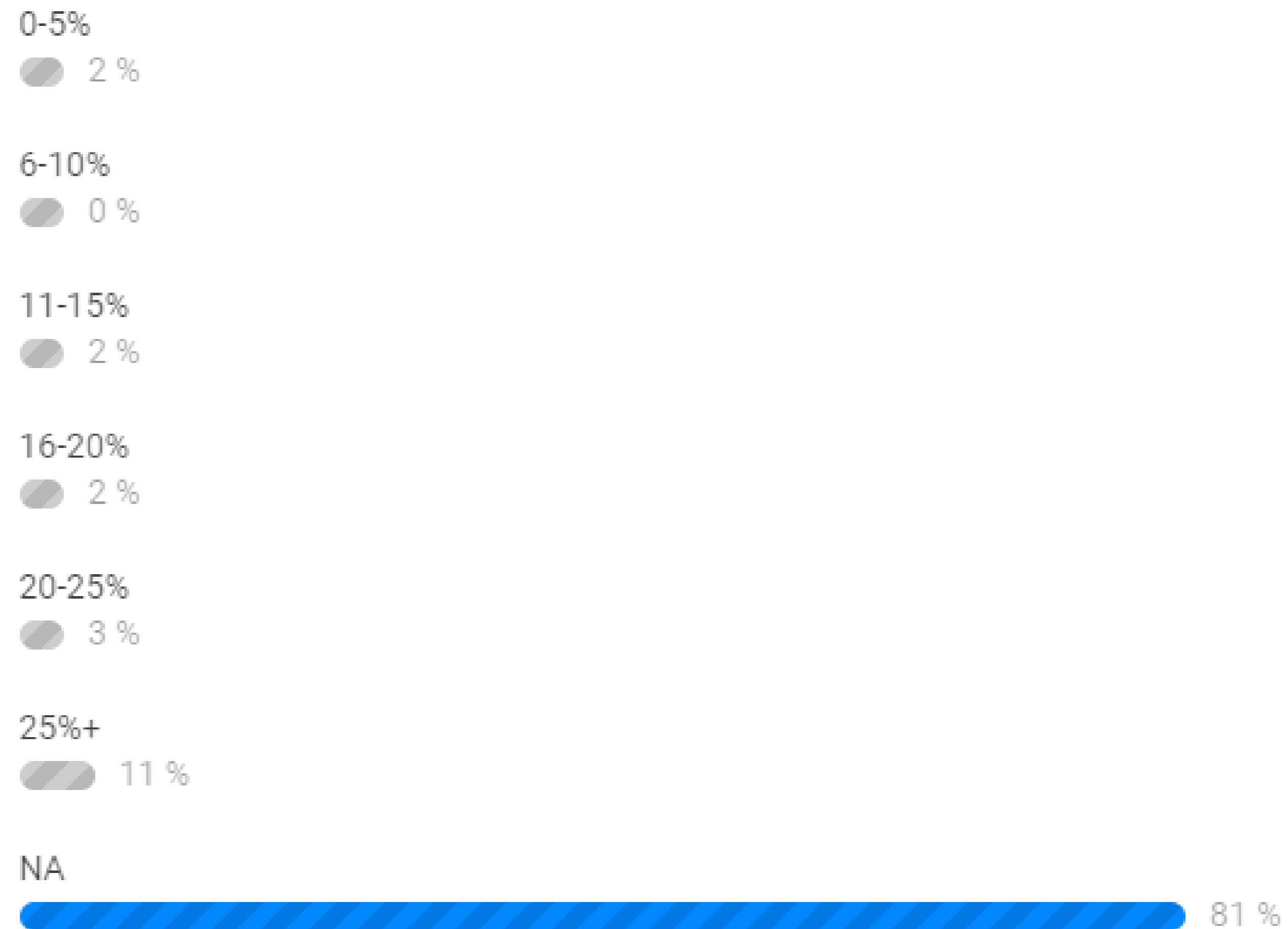
NA

71 %

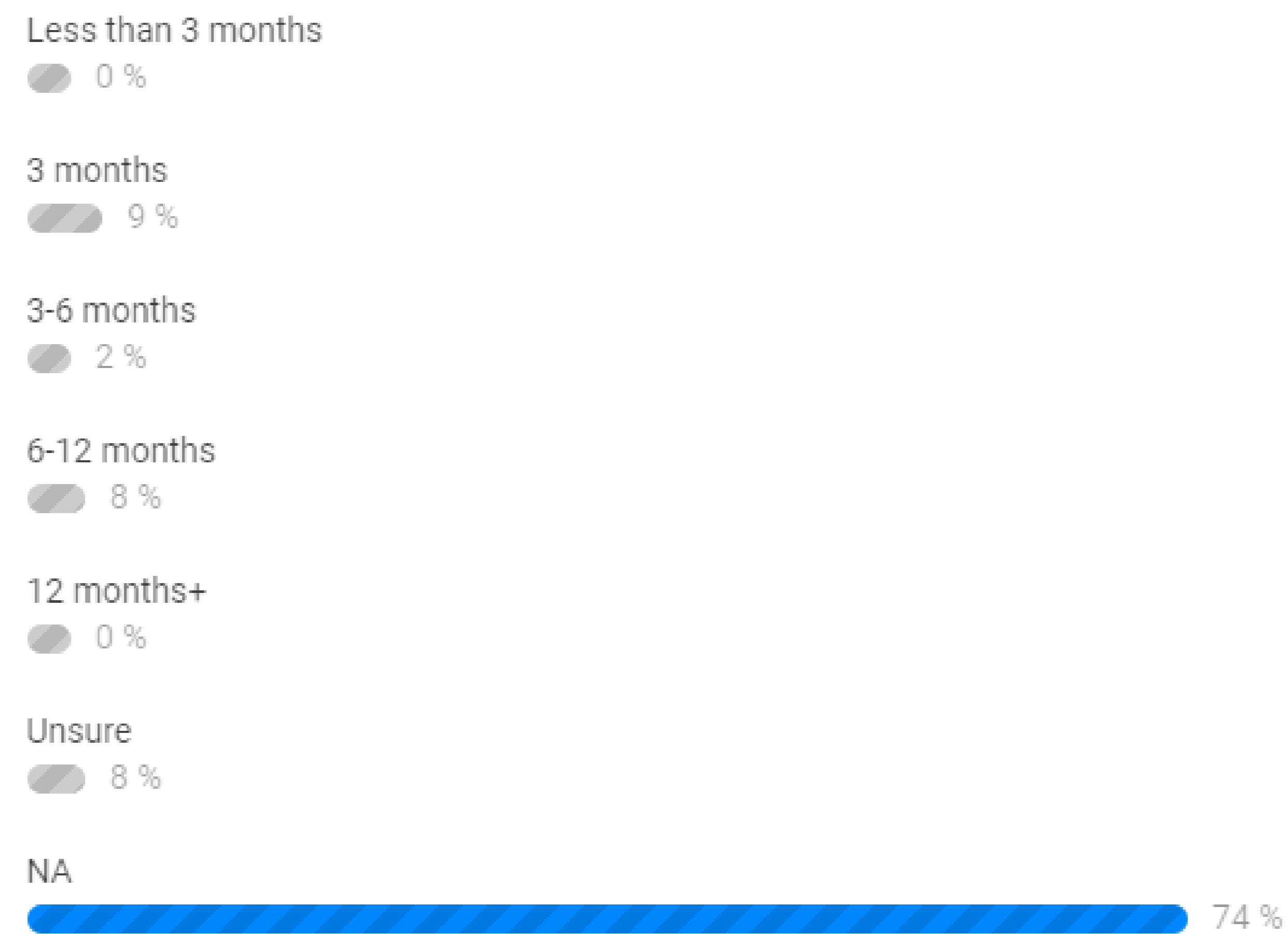
34 Have you implemented, or are you considering implementing, a cut to the fees of your NEDs?



35 If you answered 'yes' to Q34 above, what quantum of fee cut is being considered or has been implemented for your NEDs?



36 If you answered 'yes' to Q34 above, for what period will this cut be in effect?



37 Referring to Q34 above, what is being done with the cut amount?

Cut amount used as a saving on our salary bill to ensure we protect jobs and/or sure up business performance



Cut amount donated to one of the COVID-19 tax deductible relief funds (e.g. Solidarity Fund)



Other arrangement



NA



38 If you answered 'yes' to Q34 above, what happens at the end of the period for which the fee cut is enforced? (select all that might apply)

Fees revert back to normal



Depending on the state of affairs, the cut amount will/may be paid back to the director



The reduction may become permanent



We will determine at the end of the period



Other arrangements



Unsure



NA

