



opinion by herman schoeman



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A secret 2% growth job



The finance minister, like the rest of us, is looking for growth in the economy. But there's one almost secret space where growth of as much as 2% could be found that he didn't mention in his budget speech.

That twilight zone is our poor productivity.

According to the MMI Effective Employee Index, we lose more than 120m days per year (or around 13 days per employee per year) in productive work time. That lost time is estimated at roughly R70bn, or 2% of GDP. And that startling figure does not account for the increasing phenomenon of "presenteeism" – where employees are at work but not operating optimally.

Improving productivity should be a key focus for every company or organisation manager, yet too often it takes a back seat to cutting costs. One reason is a perceived inability to measure causality in productivity, while more direct bottom-line measures are highly visible.

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MMI has filled that gap by building, in consultation with Unisa, a robust model that reveals the drivers of lost work time in SA. More than 70,000 data points, relating to over 500,000 employees across 400 companies, were analysed to produce the index, which enables managers to benchmark their companies' performance and design interventions that will cut the number of sick days, get staff back at work faster and improve their output when they're there.

The most obvious area for attention is workplace management. Proper analysis of claims data and sick-leave statistics can quickly lead to the creation of a safer and healthier work environment.

The second clear win lies in delivering employee benefits that meet genuine needs and provide incentives for the right behaviours.

Here are some concerns:

- Some disability cover in the relatively new tax environment is effectively encouraging claimants not to return to work, and urgently needs restructuring;
- Mental health claims are on the rise, especially in the higher demographics, demanding greater sensitivity and new benefit conditions;
- Health cover needs to be expanded into the broader market; and
- For rewards and incentive programmes to achieve real value they must not be gimmicky.

The third area is overlooked by many, and that's the employee's financial wellness, which we define as the ability to meet planned and unplanned expenses through their lifetime.

There is clearly a symbiotic benefit in financially well employees creating a healthy and productive workplace.

Debt is a huge SA problem – the MMI Unisa Consumer Financial Vulnerability Index shows that collectively we are in the "very exposed" category on this issue – but few managers appreciate that employees under stress financially are unlikely to work optimally.

It makes enormous sense for companies and their benefit partners to assist with the basic steps of financial education, planning and debt consolidation, while also delivering very clear communication of benefits and possibly even providing workplace emergency loans.

Employee financial wellness is a vital ecosystem that needs urgent attention.

Productivity must also become a key factor in the national economic conversation, and be part of wage negotiations.

A proactive approach to productivity across the board would result in happier and healthier staff contributing to a bottom-line uplift. And that could give the finance minister a far easier time of it next year. **x**

