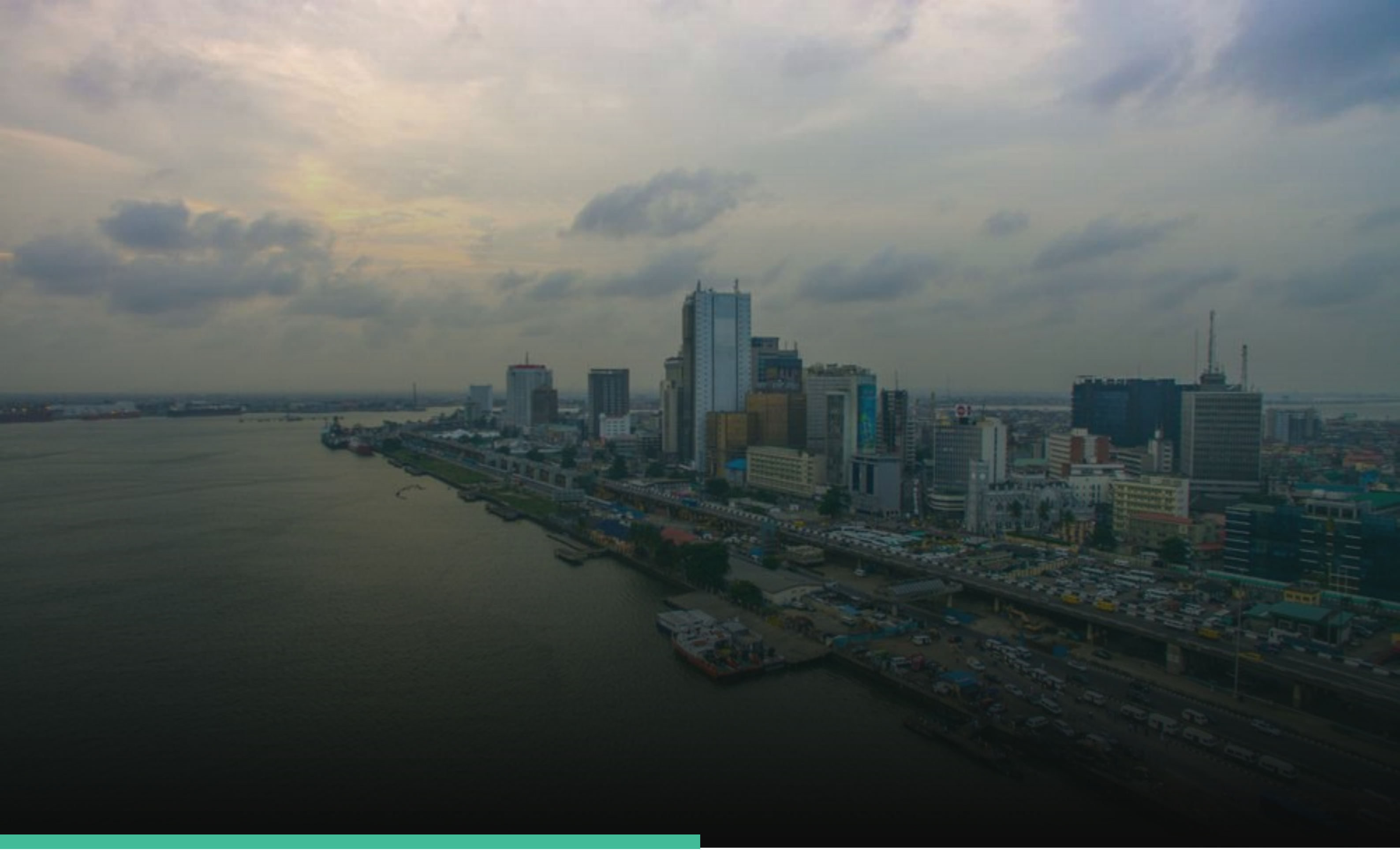
Talent Management Report

The balance between economic pressures and your talent management strategy

pcl.

Content

PREFACE



Welcome to our Talent Management report on " The balance between economic pressures and your talent management strategy". I am thrilled to present this comprehensive exploration into one of the most critical aspects of an organisation's success. This report examines the strategies, best practices, and emerging talent management trends shaping our understanding of the workforce.

Organisations are operating in a challenging environment. Economic pressures such as foreign exchange fluctuations, inflation, high unemployment, fiscal debt, and infrastructure deficits are significantly impacting talent management strategies. These factors, along with the disruptive influence of digitisation and artificial intelligence, are reshaping the way we run our businesses and consume products and services.

As organisations strive to overcome these unprecedented challenges and seize emerging opportunities, attracting, developing, and retaining top talent without breaking the bank has become a crucial pillar of competitive advantage. Key insights reveal a shift in both employee and employer attitudes. Although fewer people are travelling abroad to advance their careers due to financial constraints, local competition for talent is intensifying. Constrained by the inability to significantly increase wages year on year, organisations are seeking innovative ways to attract and retain talent, with a particular focus on non-financial rewards, flexible working, and employee well-being.

Beyond the boardroom, 63% of Nigerians are multi-dimensionally poor, and talent and effective management appear to be the greatest equalisers in social mobility. When both are in synch, they can advance equitable opportunity and diversity. As the twin engines of progress, they propel individuals from differing backgrounds towards success while fostering a more inclusive and dynamic workforce.

I appreciate the valuable contributions of the HR professionals, executives, and researchers to this report. Their commitment to excellence is evident in the thorough analysis presented. This report's findings and recommendations will serve as a roadmap for unlocking the full potential of our workforce and driving sustainable value for our stakeholders.

Thank you for your continued support and partnership.

Kind regards
Rob Taiwo / MD, pcl.

EXECUTIVE SUMMARY

Looking beyond financial reward

Standouts:

Employees are reevaluating career choices now more than ever:

Survey findings indicate a marginal behavioural change to “Japa.” Macroeconomic conditions have forced employees to look within, as the option to relocate for better prospects has become less viable. This highlights an opportunity for employers in Nigeria to focus on enhancing their work environment as employees search for better and more flexible careers.

Employers prioritise stability but increase flexibility:

To safeguard operations against macroeconomic challenges, employers are scaling back on financial benefits but increasing flexible work options, such as remote work, flexible hours, telecommuting, etc., reducing some of the impacts of the economic pressures on talents.

The significant gaps in non-financial reward:

Businesses are learning to show value beyond monetary compensation, but gaps exist as 43% of employees surveyed believe non-financial rewards are included fairly. 32% perceive non-financial rewards to be poorly included, and 10% have no idea if non-financial rewards are inclusive of total compensation.

Looking beyond financial reward

Standouts:

The desire for frequent performance review systems:

It is time to explore creative ways of transitioning from the traditional annual performance review system. 36% of employees surveyed desire the quarterly review system, 28% want to maintain the status quo, and 27% prefer a biannual system transition. Employees are eager to draw a straight line between performance and growth.

Eliminating uncertainties:

Employees in the Manufacturing, Oil and gas, Professional Services, and Public sectors have all indicated high uncertainty regarding the impact of performance on compensation. There has never been a better time for clear and transparent evaluation criteria to alleviate concerns and ensure employees feel rewarded for their contributions.

First-mover advantage:

The private sector is experiencing growth despite macroeconomic challenges. Policy reforms steer the economy in the right direction, and employees know these positive developments. Employers can gain a first-mover advantage by positioning themselves as leaders in talent management by thinking through the lens of total rewards.

The Challenge

Nigeria's Economic Pressures

Nigeria's Macroeconomic Environment

Where we are coming from

Nigeria's economic trajectory remained fragile, marked by escalating inflationary pressures, monetary and exchange rate policy distortions, widening fiscal deficits, declining foreign investment, and the impact of policy adjustments, reform shocks, and external disruptions. Following a contraction of 1.8% in 2020 amid the pandemic, the economy rebounded with a growth rate of 3.40% in 2021.

However, this recovery faltered as growth slowed to 3.10% in 2022 and further to 2.74% year-on-year by 2023 (Fig. 1). In 2023, the non-oil sector remained the economy's primary driver, exhibiting an annualised growth rate of 3.04% and contributing 94.6% to the total real GDP. Conversely, the oil sector remained in recession, contracting 2.22% due to persistent oil theft, ageing infrastructure, and insufficient investments.

The service sector expanded by 4.2% in 2023, driven by growth in financial services and information and communications technology (ICT), which counterbalanced a contraction in the oil and gas industry (Fig 2). The growth of the financial and insurance sectors may be attributed to the rise of interest income, digital transactions, and gains in forex revaluation.

The service sector remains the primary catalyst for economic growth. However, crucial sectors such as Trade and Information and Communications Technology (ICT) experienced a slowdown in 2023 compared to 2022. The deceleration in the ICT sector could be attributed to losses incurred by telecom companies due to currency devaluation.

Notably, foreign-owned subsidiaries like Airtel Africa, MTN Nigeria, Nestle, and Guinness collectively suffered losses exceeding N900 billion due to currency devaluation. Furthermore, escalating inflation has adversely affected the Services sector, leading to a decline in citizens' purchasing power and a shift in consumer spending towards essential goods.

The agricultural sector, known for its resilience even during the pandemic, saw a modest growth of 1.1% in 2023, compared to a 1.9% growth in 2022. The sector's sluggish performance can largely be attributed to insecurity in major food-producing states. Meanwhile, the industrial sector recorded a mild increase of 0.7% in 2023, significantly improving from a 4.6% contraction in 2022. This improvement is closely linked to the recovery observed in the crude petroleum and gas sub-sector.

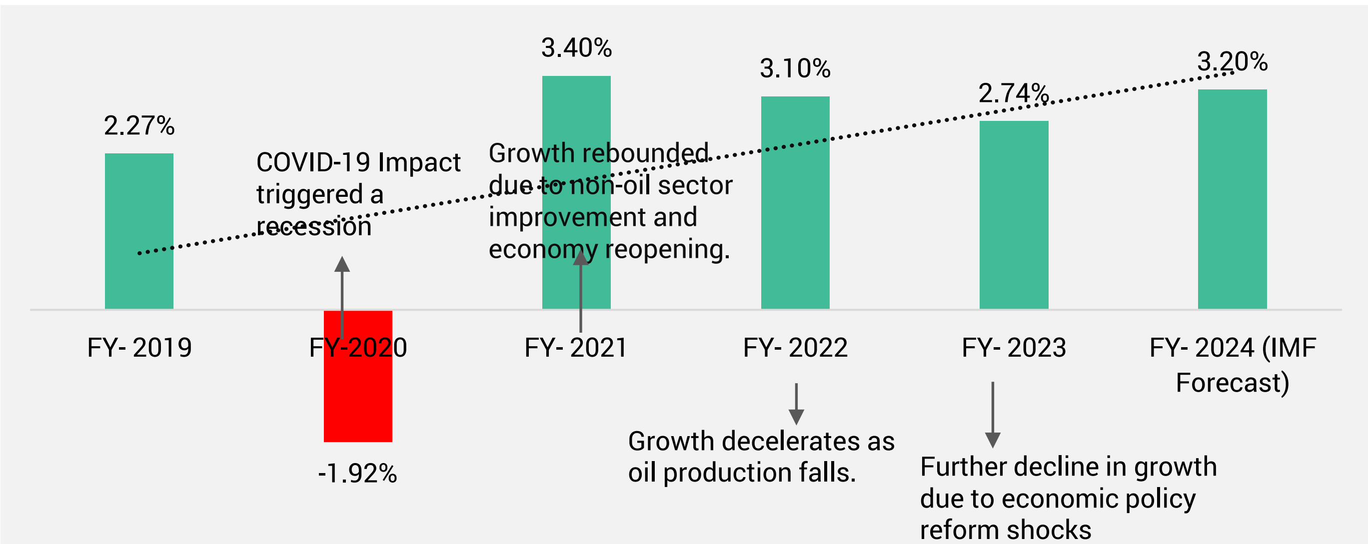


Figure 1: Real GDP Growth from 2019 to 2023 (%)

Growth Drivers

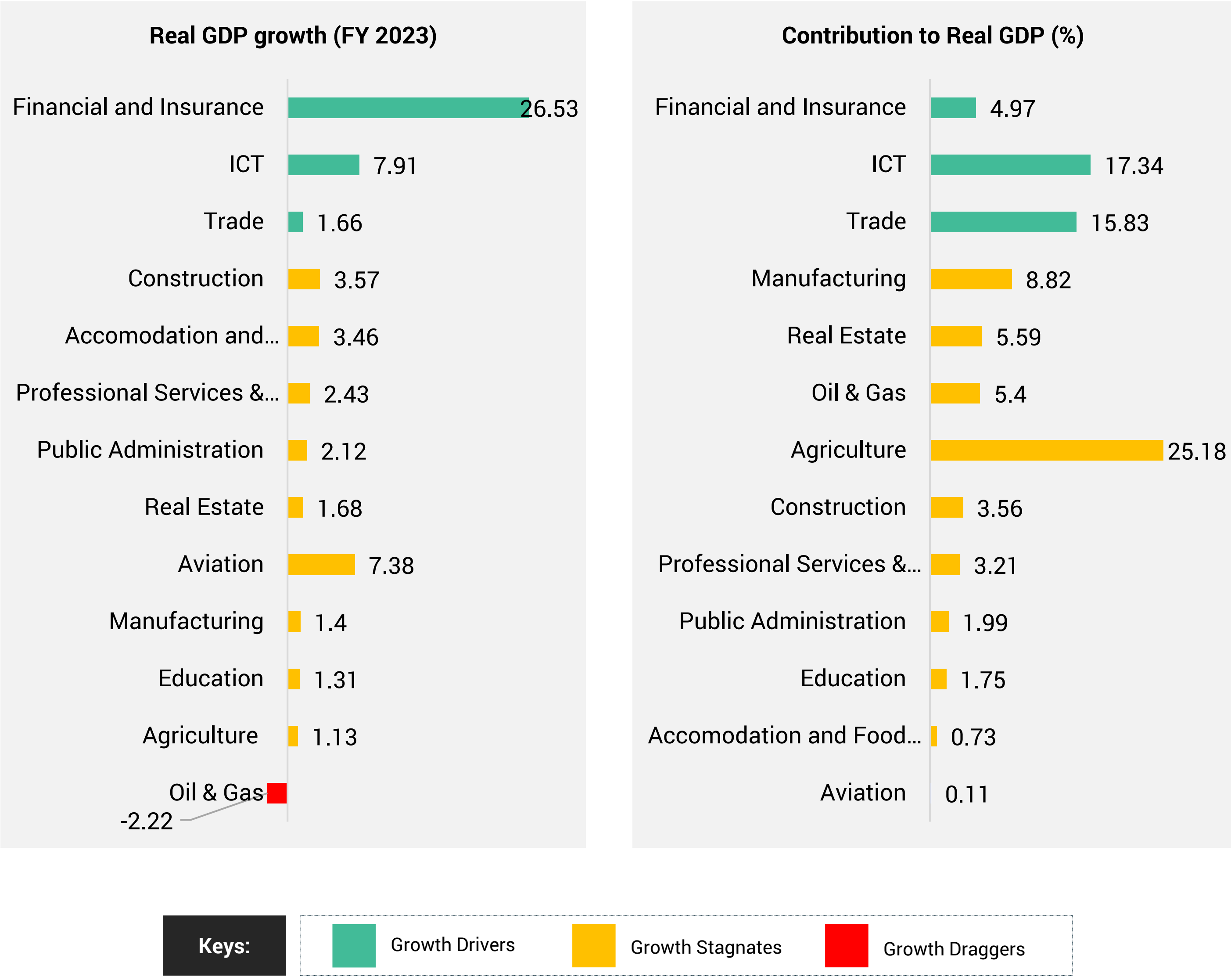


Figure 2: Sectoral Growth in FY 2023

In FY'2023, agriculture, ICT and trade emerged as the top three contributing sectors to real GDP, with agriculture leading at 25.18%, followed by ICT at 17.34% and Trade at 15.83%. Notably, despite being a growth driver, the financial institution contributed a lesser share of 4.97% to the real GDP. Agricultural growth stagnation may result from security issues in food-producing areas. However, a peak is anticipated in 2024, driven by plans like the National Agricultural Growth Scheme and Agropocket (NAGS-AP), backed by a $134 billion facility from the African Development Bank (AfDB) targeting crops such as rice, maize, cassava, and wheat. Similarly, manufacturing growth has been hampered by factors like inflation, reduced consumer power, and global supply chain disruptions. Yet, there's potential to boost manufacturing exports, leveraging the $3.4 trillion AfCFTA market. Real estate and construction stagnation may be due to housing deficits and depressed demand from high costs and declining incomes. However, a proposed Land Use Act review aims to streamline land administration, facilitating easier land acquisition and potentially reviving these sectors.

Renewed Policy Effect

Nigeria's substantial economic policy reforms began with President Bola Tinubu's inauguration on May 29. These reforms included the elimination of fuel subsidies, the liberalisation of the currency rate, the lifting of limitations on previously forbidden commodities' access to foreign exchange, and significant hikes in electricity tariffs. However, given Nigeria's reliance on imports, these options presented unique issues. These reforms tremendously impacted the Nigerian corporate landscape and its population.

Fuel Subsidy Removal

During his inaugural address on May 29, President Bola Tinubu announced that petroleum subsidies would be discontinued. This resulted in an instant 150% increase in the pump price of gasoline, causing inflation to rise by more than 25%, mostly hurting transportation and food expenditures. Nigeria's defective refineries force the country to rely solely on imported refined fuel, resulting in a startling 224% increase in fuel prices. This had a significant economic impact, particularly on the 133 million underprivileged people.

According to a Fate Foundation analysis, eliminating subsidies hurt 90% of examined businesses, with smaller enterprises suffering the most. Expected results were higher operational expenses, lower profits, and customer loss. The move has also increased interest in cleaner energy options such as electric vehicles, biofuels, and solar power. Higher gasoline prices are projected to promote investments in renewable energy infrastructure, encouraging a greener economy and more sustainable transportation networks.

The sporadic decline of the naira

The Central Bank of Nigeria (CBN) restricted foreign exchange access to 43 domestically produced commodities in 2015; however, after nearly eight years, this policy failed to promote local production. On October 12th, 2023, the CBN reintroduced these items on the official FX platform to improve transparency and correct forex transaction distortion.

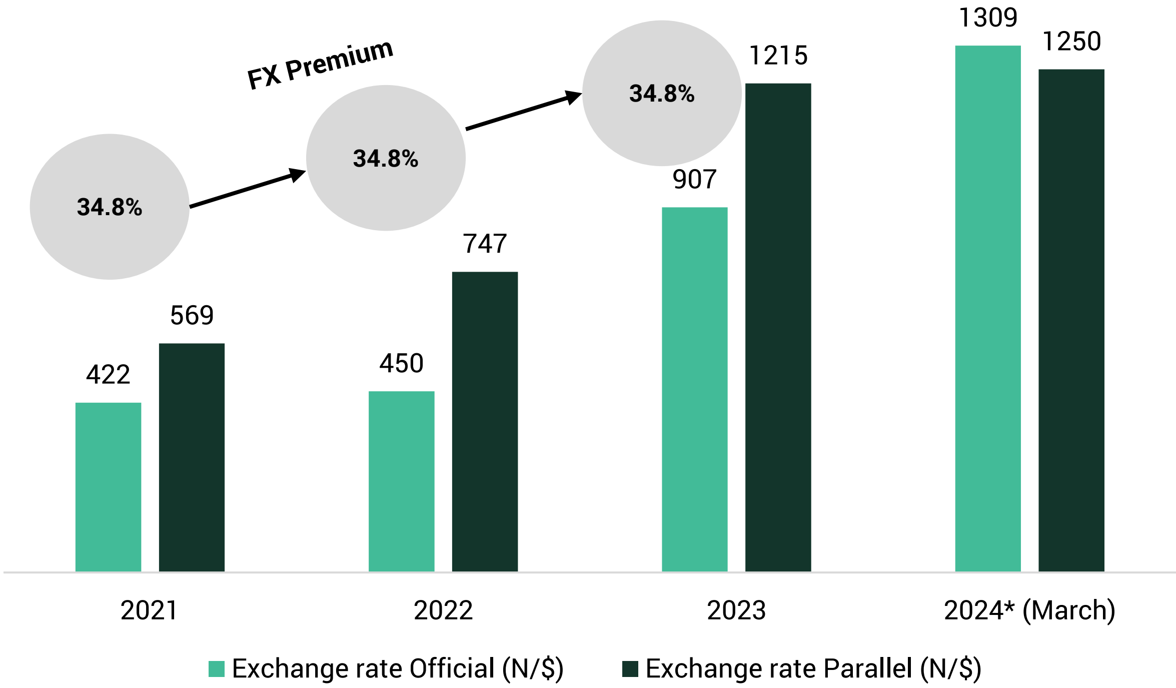
The idea was to reduce pressure on the black market while increasing liquidity through official channels, allowing exporters to deal at the Investors' & Exporters' (I&E) window. The FX market remained turbulent because of the CBN's ambiguous communication on FX backlog resolution techniques, which led to speculation and market swings.

The CBN's currency rate unification policy in Q'2 2023 resulted in the Naira fluctuating between N449.0/US$ to N907.1/US$ between January 2023 and December 2023, whereas the parallel market pricing ranged between (N750 and N1260)/1US$.

After crossing the N1,000 mark against the dollar in December 2023, the Naira underwent a rapid 37.6% depreciation in January 2024, closing the month at N1,455.59/$. This was attributed to external imbalances and FX illiquidity intensified by hoarding and panic buying. To address these challenges, the CBN implemented measures to tackle liquidity issues and market distortions, aiming for transparent pricing.

However, in March 2024, the Naira experienced a significant turnaround against the dollar, gaining 21.8%. The official market exchange rate closed at N1309/$1 compared to N1595.11/$1 in February 2024. In the parallel market, the Naira improved by 28% from N1600/$1 to N1250/$.

Figure 3: Exchange Rate Movement in 2023



During the same period, the decline in naira was attributed to the clearance of valid FX backlogs and dollar sales to BDC operators. Despite official FX market stabilisation at reflective rates, the risk of expecting net FDI and net FPI remains low. In 2023, Nigeria experienced a surge in inflation, reaching a nearly two-decade high. Persistent inflation has been a longstanding issue, with 13 out of the past 15 years exceeding the CBN's target range of 9%. This trend is attributed to loose fiscal and monetary policies, supply constraints, and external shocks. By February 2024, inflation had risen to 31.70 per cent from 29.90 per cent in January 2024, driven by fuel subsidy removal, exchange rate depreciation, farmland insecurity affecting logistics, increased energy prices, and food scarcity. Food inflation for February 2024 stood at 37.92%, exacerbating financial strain on Nigerian workers who allocate more income to consumption than savings.

Despite the potential to enhance local food and livestock production, Nigeria heavily relied on imported agricultural goods to meet domestic demands, straining foreign exchange reserves and fueling imported inflation due to currency depreciation.

Inflation's pernicious impact...

In 2023, the average inflation rate for imported food rose to 20.4% from 17.8% in 2022. The removal of petrol subsidies exacerbated fuel and transportation costs, affecting food and non-food prices.
For more than three decades, inflation in Nigeria has largely been influenced by monetary and foreign exchange factors. An analysis by the IMF spanning from 1970 to 2020 revealed that approximately half of the average inflation could be attributed to the growth of the money supply (M3), with 25.0% stemming from exchange rate depreciation and the remainder from country-specific effects, which could be interpreted as unidentified structural factors. These underlying drivers persisted, which is evident in the significant increase in M3 by an average of 28.8% in 2023, marking the highest growth rate in over ten years.

Amidst a global trend towards dovish monetary policies driven by easing inflation, Nigeria faced mounting inflationary pressures, preventing any inclination to lower its Monetary Policy Rate (MPR).

Throughout 2023, the Monetary Policy Committee (MPC) consistently raised the MPR over four consecutive meetings, closing the year at 18.75% and 24.75% in March 2024. However, these efforts proved insufficient in curbing inflation, primarily driven by productivity constraints rather than monetary factors.

Also, the transmission of monetary policy still needs to be improved by the CBN's development finance initiatives and the central bank's financing of fiscal deficits through Ways and Means. Although the new management of the CBN and the government have expressed intentions to eliminate development finance programs, implementation is pending. Similarly, substantial Ways and Means financing persisted in 2023 and is projected to increase, surpassing the limits imposed by the CBN Act 2007. Central bank financing of fiscal deficits directly contributes to inflationary pressures and undermines institutional credibility and de facto independence in pursuing its mandate to control inflation.

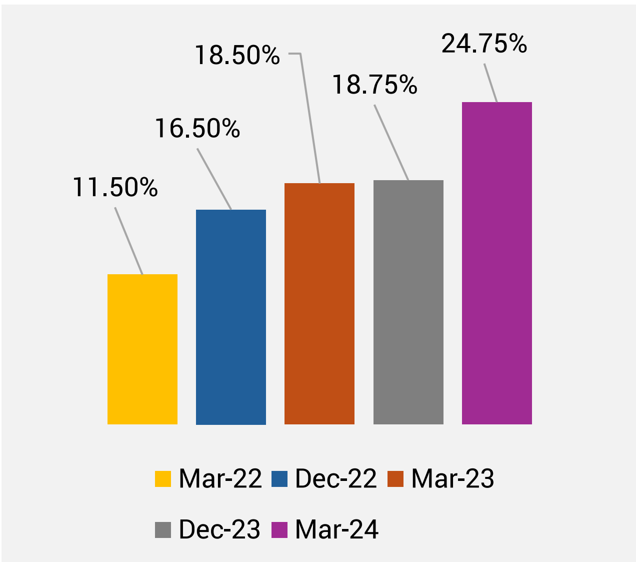


Figure 4: Monetary Policy Rate

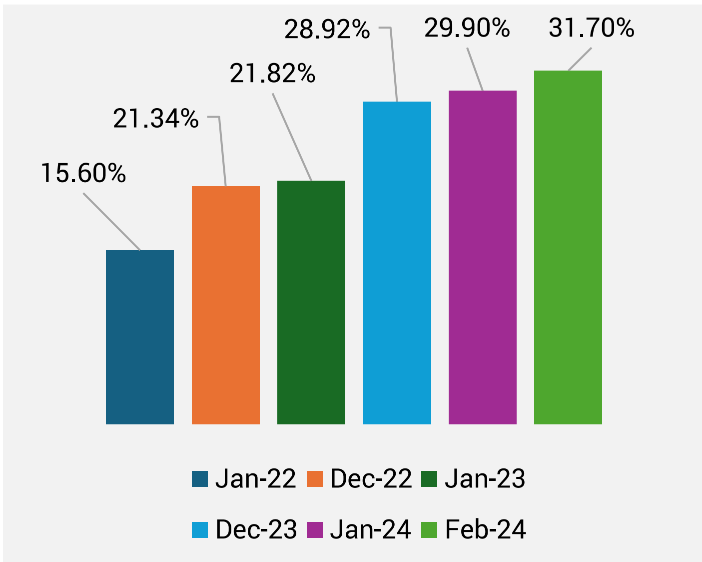
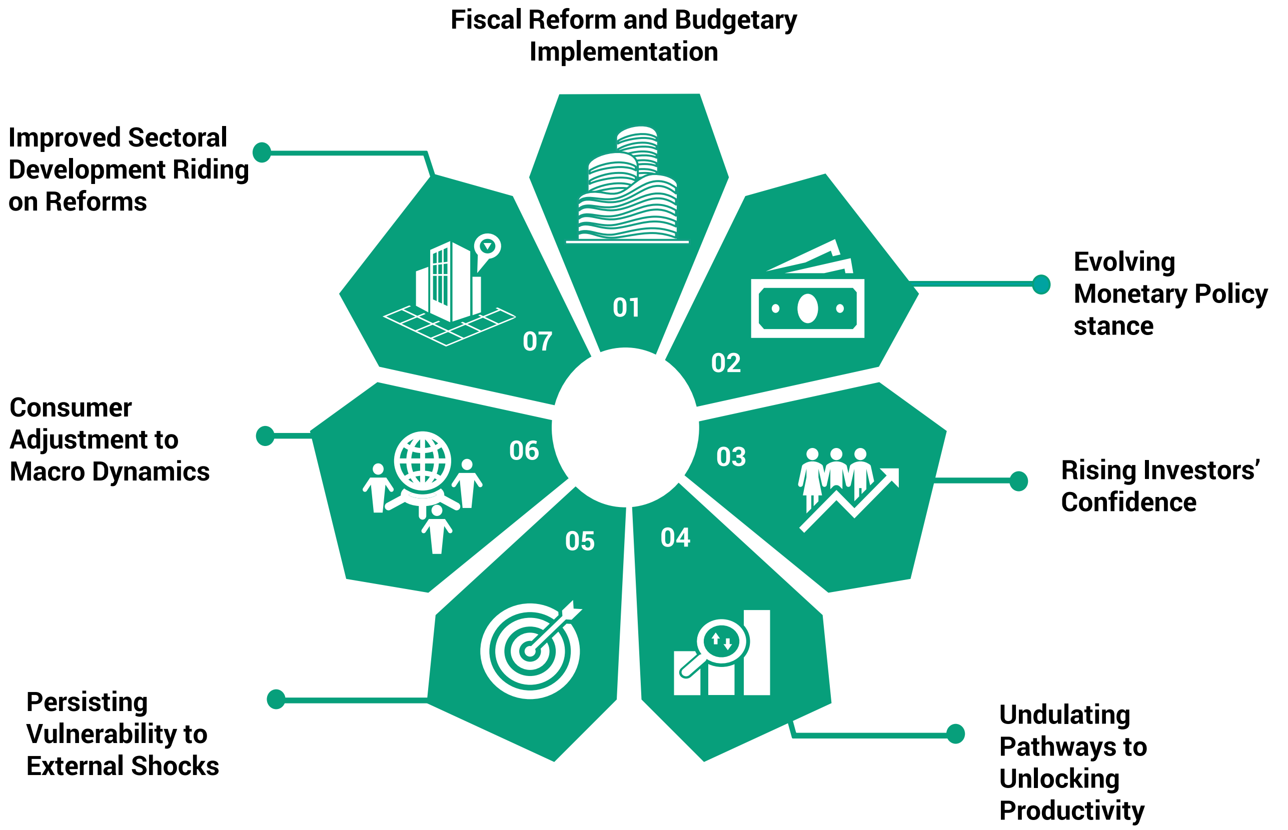


Figure 5: Headline Inflation Rate

Key Trends Shaping the Nigerian Economy in 2024 (1/3)

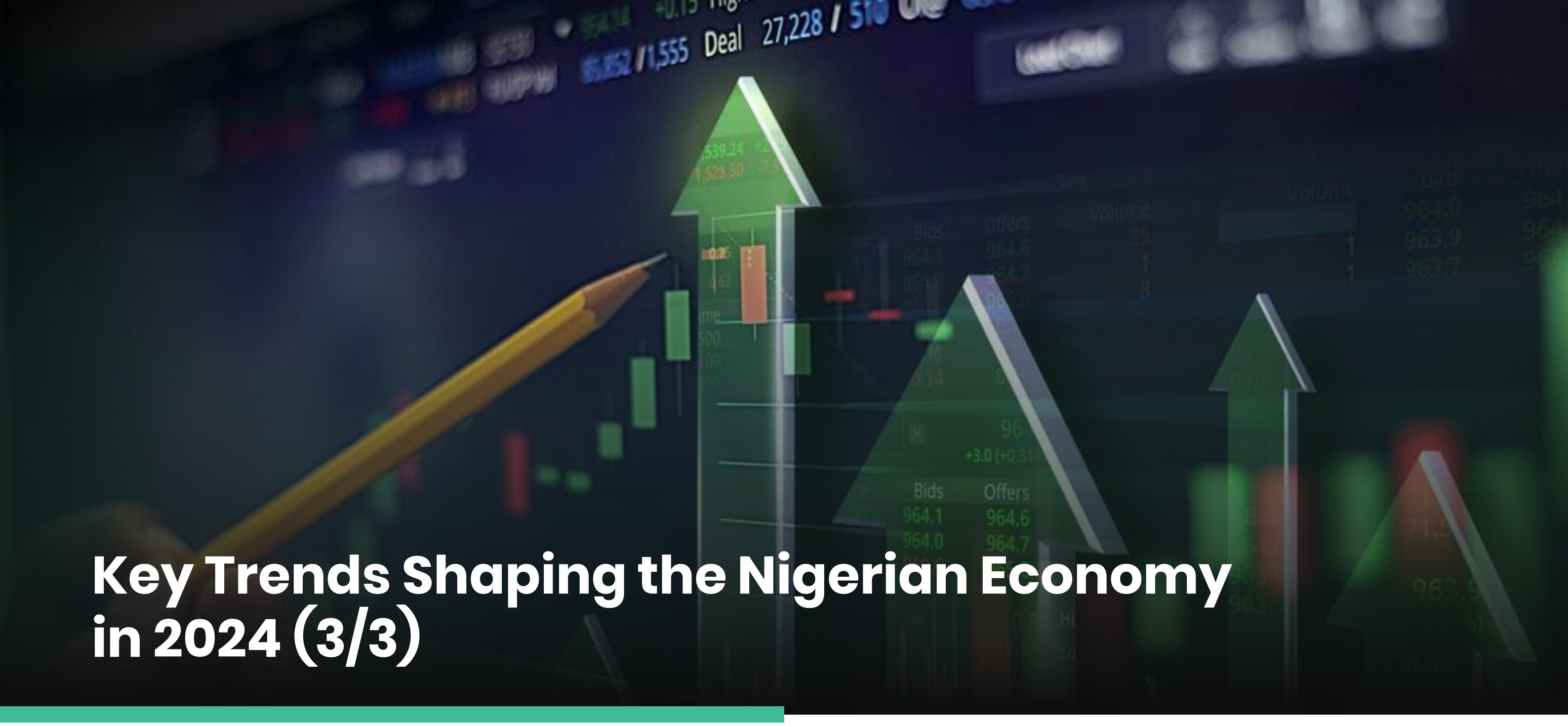
In 2024, the lingering effects of policy-induced shocks from 2023 continue to impact the Nigerian economy, causing significant macroeconomic challenges. Despite some progress in addressing longstanding structural and policy barriers, optimism about improvements remains cautious due to the enduring nature of these challenges. Thus, we have identified seven (7) key trends that are shaping the Nigerian economy in 2024:



Trend	Insights	Key Implications	Impact
Fiscal Reform and Budgetary Implementation	The 2024 budget shows a substantial deficit of N9.18 trillion, resulting from a spending plan of N28.78 trillion and revenues of N18.32 trillion. Nigeria's fiscal sustainability is still a worry due to rising debt and income challenges, with the deficit increasing by 370% between 2015 and 2023. To address this, the administration plans to lower the deficit to roughly 3.9% of GDP through spending cuts and fiscal reforms. These reforms aim to improve public service efficiency, prudent asset management, subsidy reduction, FX reform, and more openness in government spending via a national site.	In 2024, the government intends to increase domestic debt to finance its deficit, resulting in a more significant debt servicing to revenue ratio. This trend could crowd out private sector investment because the government would use a large percentage of available credit, accounting for 37% of net domestic credit. Limited funding alternatives for individuals and organisations may impede economic growth and development.	

Key Trends Shaping the Nigerian Economy in 2024 (2/3)

Trend/Drivers	Insights	Key Implications	Impact
Evolving Monetary Policy Stance	The Central Bank of Nigeria (CBN) intends to implement an inflation-targeting mechanism that includes measures such as the policy rate, OMO bills, repo, and reverse repo. Meanwhile, FX liquidity issues remain due to lower crude oil income and decreased foreign direct investment. To address this, the CBN has taken steps to improve FX availability, such as clearing backlogs, liberalising the FX market, and lifting import restrictions.	Capital importation and export proceeds remain subdued, and investor confidence fails to recover. Thus, the FX market may face uncertainty throughout 2024.	
Rising Investors' Confidence	Foreign Direct Investment (FDI) inflows into Nigeria have fallen since 2020, accounting for only 9% (US$60 million) of total capital imports in Q3 2023. Despite persistent inflation and FX liquidity concerns, the capital market outperformed in 2023, rising 46%. However, investors should be cautious due to continuing fiscal and monetary changes to combat inflation and foreign exchange illiquidity.	Despite relatively low levels of foreign direct investments (FDIs), there may still be an uneven distribution across sectors, with some sectors attracting more capital flows than others. The expected reforms, such as recapitalising the banking sector, could boost FDI inflows, particularly given that the banking sector represented 19% of total capital flows between Q1 and Q3 2023.	
Undulating Pathways to Unlocking Productivity	Nigeria confronts funding issues for infrastructure, with a 2024 budget of N1.32 trillion falling short of suggested levels. Over the past nine years, security spending has totalled N14.8 trillion, with regional conflicts worsening the situation. The conflict between herders and farmers and increased kidnapping incidents in particular zones harm agriculture and food costs.	Increasing insecurity jeopardises both national stability and investor trust. Conflict in places such as the Northwest and Middle Belt may limit agricultural output, cause revenue losses from oil theft, and raise food prices. Persistent root issues such as poverty, inequality, and unemployment are expected to continue, potentially sparking intermittent social unrest.	



Key Trends Shaping the Nigerian Economy in 2024 (3/3)

Trend/Drivers	Insights	Key Implications	Impact
Persisting Vulnerability to External Shocks	Increasing conflicts between Russia and Ukraine, a potential China-Taiwan conflict, and escalating tensions between Israel and Hamas may drive up global energy and disrupt supply chains and commodity prices, particularly grains, worsening Nigeria's inflation and food security situation. Furthermore, the upcoming national elections in over 50 countries, including the United States, India, and Indonesia, could shift global economic policies, trade relations, and foreign affairs. These changes may impact Nigeria's international position and economic outlook in 2024.	Geopolitical dynamics potentially lead to increased oil revenues, and Nigeria's reliance on imported fuel could become vulnerable. Any disruption in global supply, particularly through the critical Taiwan Strait route, which facilitates half of the world's shipping traffic, could significantly hinder the flow of goods and exacerbate the country's dependence on imported fuel.	
Consumer Adjustment to Macro Dynamics	Consumer spending may be pressured in 2024 due to rising prices of goods and services (increasing food and transportation costs) and lower disposable income. However, private consumption is expected to be marginally better than 2023.	Slow fiscal reforms and the absence of aggregate wage adjustment—spurred by productivity—to address price increases may further squeeze consumer purchasing power in 2024.	
Improved Sectoral Development Riding on Reforms	Sectoral growth is expected to be influenced by various factors, including demand dynamics, investment, government reforms, and trade dynamics. Ongoing reforms, recovery in oil production, and a proactive policy environment support the growth outlook. Over the last 12 months, the main contributors to GDP growth have been the financial services, information and communication, and utilities sectors, which are anticipated to remain key growth drivers in the near term.	The potential downside risks to this projection include elevated interest rates, high inflation levels, foreign exchange liquidity pressures, vulnerability to shocks in the global value chain, sustained increases in fiscal debt, limited non-oil revenues, and sectoral development challenges.	

Talent Management In Nigeria

Industry Focus

Implications of the Economic Turmoil on Talent Management in the Nigerian Business Environment

Considering recent policies that have influenced Nigeria, such as the removal of fuel subsidies, the floating of the Naira, and the impact of inflation, the current economic trends have both positive and negative effects. Businesses face tough times, encountering significant economic challenges threatening their survival, stability, and growth.

Many CEOs of prominent organisations we interviewed also expressed how the economy has impacted their businesses and people. Not surprisingly, the unfavourable conditions have also led to the exit of leading multinational companies like Procter and Gamble, Unilever, GSK, etc. These challenges are felt by organisations in both the public and private sectors, leading many companies to implement cost-cutting measures and reimagine their operational strategies to stay afloat and achieve cost efficiency, significantly impacting their employees. Consequently, many workers are experiencing the effects of these challenges. Many organisations need more talent in critical business units.

Until now, when the economy was relatively stable, with a GDP of 7.67% about 14 years ago, people were much more optimistic about the country. Sectors like oil and gas and agriculture were booming, and investors were coming to invest in these industries.

However, the situation has declined in recent years, and several trends are causing concern among business executives as they threaten the success of their businesses and talent management practices.

“The economic downturn, worsened by a declining Naira and reduced foreign investment, challenges businesses and individuals. Government policies have not effectively addressed overspending and debt. Businesses face higher import costs, cash flow issues, and difficulty paying salaries. The dire economic situation makes emigration an attractive option for some. Without innovative solutions or effective policies, conditions could deteriorate further.”

An HR Director of one of the leading FMCGs in Nigeria stated how challenging the current economy has been for businesses due to higher costs, demands, taxes, and wage bills, as well as for employees due to increased cost of living and food expenses, among other challenges.

While these issues are natural, it Is even more crucial to consider their impact on the resources responsible for the success or failure of the business—**'Talent'.** The state of the economy has made it even more difficult to retain top talent. Beyond the ‘Japa syndrome’, which saw the mass exit of many professionals, now we see professionals leaving the country due to the harsh realities of the economy, with many more contemplating the same.

During our conversation with the Product Manager of a well-known organisation in the healthcare sector, she mentioned that the current economic situation has led her to consider leaving the country in search of better opportunities. Due to financial constraints, she has had to reduce her spending and maintaining her desired standard of living has become more challenging.

> Recruiting has become costlier due to job seekers' higher compensation expectations, pressuring our budget. We now need to balance talent demands with what we can afford.”

Considering these issues, it has become essential for organisations to revisit their talent management practices and devise innovative solutions to cushion the economy's effect on their talent and help retain them, knowing how important they are to the business's bottom line. Organisations' HR leaders need to rethink, revamp, and realign their talent management strategies with the current economic landscape.

But First, what is Talent Management?

It's not just about hiring and training; it's a whole journey – a strategic approach adopted, from finding the right fit to nurturing their growth and ensuring they shine brightly within the organisation, helping it meet its objectives. It's about unleashing potential and driving performance to new heights. People have always been the backbone of organisations, and prioritising their needs is vital to unlocking success. In today's fiercely competitive market, businesses must invest strongly in their human capital resources to have an edge and ensure success.

A Gallup study shows that companies that invest in their talent management strategies are over 42% more profitable than those that do not. So, it is beyond just having talented employees. Leaders must understand how to manage and deploy them as they play a crucial and strategic role in the organisation's success.

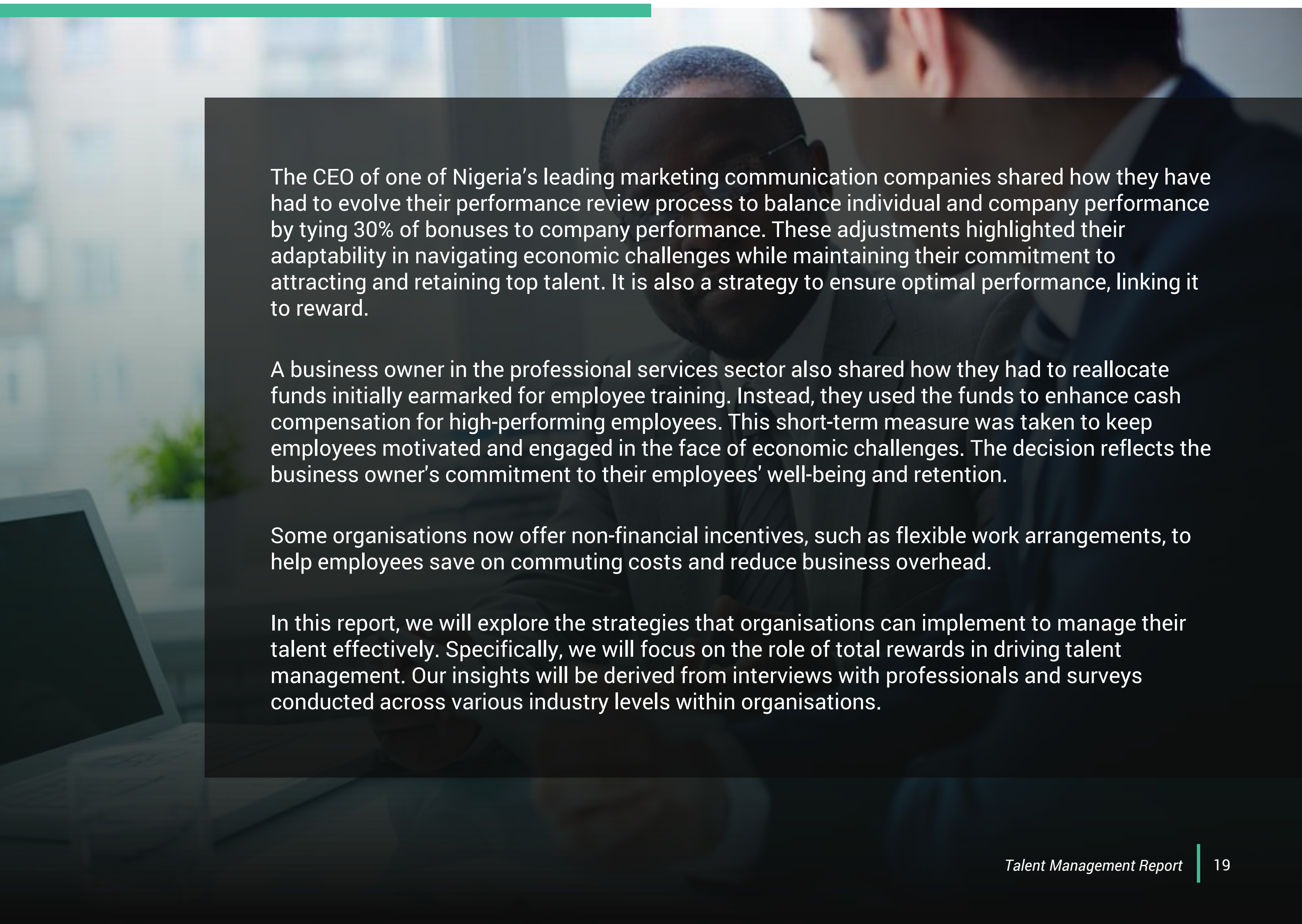
However, within the Nigerian business context, organisations face the current economic realities, needing to understand how to balance investing in their people and seeing the desired outcomes working with the limited financial resources available. Business leaders are forced to answer these lingering questions;

- How can organisational leaders manage their talent and deal with real-time concerns over their employees' financial well-being amidst the economic issues that impact the business's productivity?

- How can businesses ensure employees are motivated, engaged, and productive by developing strategies that provide satisfaction beyond monetary benefits and salaries?

- How can companies create a compelling value proposition beyond monetary rewards to retain top talent?

Some organisations have begun implementing practices to motivate employees while navigating economic challenges. However, others still need help to achieve this and are experiencing high monthly attrition rates. Many employees show signs of disengagement and dissatisfaction, leading to decreased productivity.



The CEO of one of Nigeria's leading marketing communication companies shared how they have had to evolve their performance review process to balance individual and company performance by tying 30% of bonuses to company performance. These adjustments highlighted their adaptability in navigating economic challenges while maintaining their commitment to attracting and retaining top talent. It is also a strategy to ensure optimal performance, linking it to reward.

A business owner in the professional services sector also shared how they had to reallocate funds initially earmarked for employee training. Instead, they used the funds to enhance cash compensation for high-performing employees. This short-term measure was taken to keep employees motivated and engaged in the face of economic challenges. The decision reflects the business owner's commitment to their employees' well-being and retention.

Some organisations now offer non-financial incentives, such as flexible work arrangements, to help employees save on commuting costs and reduce business overhead.

In this report, we will explore the strategies that organisations can implement to manage their talent effectively. Specifically, we will focus on the role of total rewards in driving talent management. Our insights will be derived from interviews with professionals and surveys conducted across various industry levels within organisations.

The Talent Management Survey

Methodology

How did we achieve TMR 2.0?

The Comprehensive Methodology

- Surveys
- Interviews

1800

Employees
Across 8 sectors

- Finance
- Professional service
- IT& Telco
- Education
- Oil & Gas
- Manufacturing
- Health
- Public Sector

Talent Management Measuring 6 metrics.

- Attrition - 'Japa' Syndrome
- Total Rewards
- Training and Development
- Performance Review
- Salary Satisfaction

Profile

Gender

- Male 70%
- Female 30%

Role

- Low-level exec 20%
- Mid-level exec 57%
- C-level exec 23%

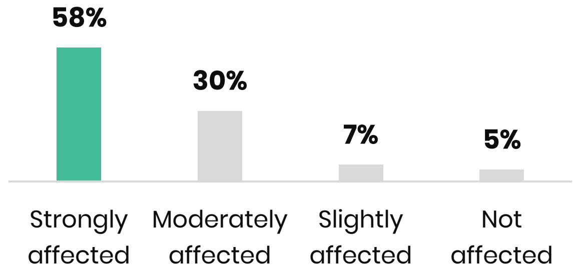
Sector Breakdown

- Finance 18%
- Others 17%
- Professional services 23%
- IT/Telco 10%
- Education 10%
- Oil & Gas 10%
- Manufacturing 7%
- Health 7%
- Public sector 4%

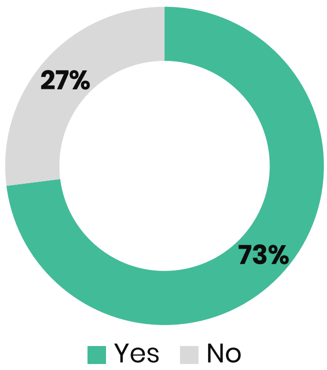
How much of a difference can a year make?

- The never-before-seen inflation numbers and the persistent rise in the cost of living have translated to 73% of the general population contemplating job change. This indicates a strong potential for turnover within the general workforce.
- The data shows that in 2023 and 2024, most individuals have contemplated relocation, with 58% and 55%, respectively, considering the possibility. This indicates that a notable percentage of the population is still open to moving to new locations for various reasons. However, there has been a marginal decline from 2023 to 2024. This is a -3% decline in the past year, suggesting a potential shift in attitudes towards relocation over time.
- According to the data, 58% of the population says living costs heavily influence their decisions. This suggests that financial considerations about the cost of living substantially impact people's decisions and behaviours.
- The ability to relocate has been/is one of those decisions strongly affected by the rising cost of living, as 80% of respondents surveyed, regardless of the industry, reported that the economy has affected their ability to move abroad compared to a year ago.
- Putting it all together, the large percentage of individuals contemplating job changes and migration underlines the flexibility of the workforce today. However, the rising cost of living has heavily impacted considering quitting their jobs and relocating.
- The survey data indicates a significant level of movement among employees within sectors but within the country, as evidenced by the high percentages of individuals contemplating job change and relocation.
- In light of this trend, there has not been a better time for employers to prioritise finding creative ways to retain their top professionals. Offering attractive incentives, career development opportunities, and a supportive work environment can help organisations keep their best talent and attract top professionals from other companies.
- This focus on employee retention and attraction is crucial for maintaining a competitive edge in the market and fostering long-term organisational success.

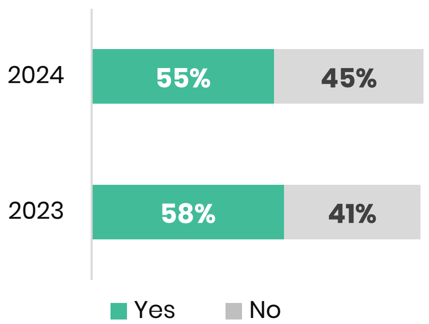
Cost of Living



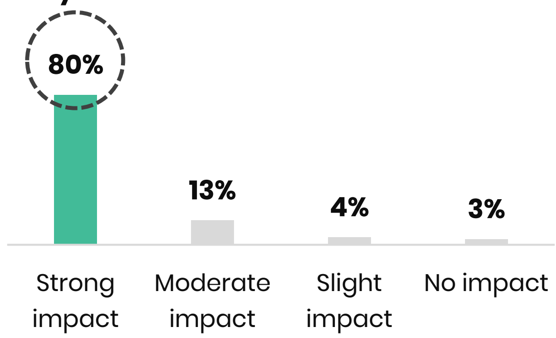
Contemplated job change



Contemplated relocation



Ability to relocate



Q7 - How has the rising cost of living influenced your willingness to work in Nigeria?
Q8 - In the past six months, have you contemplated leaving your current job for another better-paying opportunity?
Q9 - In the past 12 months, have you contemplated leaving your current job to relocate abroad?
Q10 - How has the economy affected your ability to move abroad compared to a year ago?

Finance

Standing firm amidst radical changes

As the new government was sworn into office in May 2023, the finance sector braced for uncertainty and change. Industry experts anticipated economic reforms and policy shifts, which were closely monitored, but what came after superseded expectations.

The impact of two key policies, the removal of fuel subsidies and the unification of the exchange rate, on the financial sector must be considered.

Financial institutions faced several macroeconomic pressures, including a weakening Naira and high inflation rates. The naira experienced an unprecedented decline from 400NGN/$ to 900NGN/$. Inflation then followed alongside the decrease in the value of the local currency. Inflation grew significantly by 4.1%, touching the 22.8% mark in 2023.

Despite these challenges, the finance sector stood firm. Banks maintained a healthy loan-to-deposit ratio, a metric to assess their liquidity and ability to manage their lending risk. The capital adequacy ratio, which measures a bank's financial strength and stability, was also above regulatory requirements.

2023 also saw significant growth in the adoption of mobile money, fintech solutions, and digital payments: increased smartphone penetration and the Central Bank of Nigeria's regulations promoting financial inclusion paid dividends.

The Nigerian Capital Market Masterplan (CMMP) was launched to cement its strong position further. The essence of CMMP is to provide a strategic framework for the growth of the Capital market.

The Securities and Exchange Commission (SEC) first launched it in 2014, but advancements in financial technologies meant that it needed to be updated to reflect current realities.

With advancements in technology in finance came an increase in cyber attacks. Electronic fraudsters were reported to have stolen N9.5 billion from banks and payment systems within seven months.

The CBN introduced a new operational mechanism for the Bureau De Change (BDC) to enforce compliance with international standards and stabilise the naira. The CBN removed the cap on the allowable limit of -2.5% to -2.5% around the previous day's closing rate for International Money Transfer Operators. Inflation continued to rise, reaching 25.8%.

Despite inflationary pressures and macroeconomic swings, the banking industry saw growth. The top Nigerian banks recorded a total asset of NGN90.4 trillion, a 35% increase from 2022.

List of leading banks in Nigeria based on asset size in H1 2023'3

Rank	Bank	Asset Size (trillions)
1	Access Bank	**N20,853,270**
2	Zenith Bank	**N16,031,910**
3	First Bank	**N14,176,772**
4	United Bank for Africa (UBA)	**N15,382,382**
5	Guaranty Trust Bank (GTB)	**N8,509,893**
6	Fidelity Bank	**N5,083,985**
7	Stanbic IBTC	**N4,451,179**
8	First City Monument Bank (FCMB)	**N3,720,080**
9	Sterling Bank	**N2,290,178**

Despite CBN's attempt to stabilise prices by increasing the Monetary Policy Rate (MPR) to 18.5%, inflation persisted. Towards the end of H2 2023, inflation rose to 28.92%.

Going into the new year, the finance sector aggressively began reimagining its go-to-market strategy amid the heightened economic volatility. It fully embraced digital channels to reach customers, improving customer experiences while offering high interest rates for savings.

At the end of 2023, Zenith Bank achieved historic triple-digit top-line and bottom-line growth. According to the Nigerian Exchange (NGX), an increase in gross earnings led to a 180% year-on-year rise in Profit Before Tax, a genuinely unprecedented growth.

Foreign currency shortages in 2024

January 2024 saw the naira depreciate from 400NGN/$ to 900NGN/$ in the official market and 745NGN/$ to 1,357NGN/$ in the black market. The impact of the subsidy removal and unification of both rates was starting to be felt significantly in the economy.

The following month, inflation spiralled, reaching 31.7%. Rising food and transportation costs drove inflation. Amidst the hyperinflation, nairametrics reported that the banking sector assets saw a full-year growth of 114.89% on the NGX banking index, reflecting investor confidence and heightened interest in banking stocks.

Tier-1 banks have distinguished themselves as top performers, with many boasting market capitalisations exceeding N1 trillion. Moreover, they have taken advantage of foreign exchange gains from asset revaluation, primarily influenced by Nigeria's FX transaction dynamics. Furthermore, these banks have experienced a notable uptick in their net interest income due to the monetary policy rate (MPR) rise.

The CBN has increased the MPR twice this year. The first increase was by 400 basis points, raising MPR to 22.75%. The second increase was by 200 basis points, bringing the MPR to 24.75%.

Cardoso's tinkering

The end of Q1'2024 has seen some stability as the naira saw significant appreciation, but this did not happen without a bullish approach from CBN. The standout policy that directed the finance sector **was the growth in foreign currency exposures of banks through their Net Open Position (NOP).** This means that the CBN believed banks were holding long-term positions in forex, hoping to profit from it, especially when there were fluctuations.

The issues surrounding the NOP led to a new capital requirements policy. The CBN's policy required banks to raise fresh capital to meet recapitalisation demands. Banks are required to meet the 4.7NGN trillion benchmark 3. Under this new guideline, no bank qualifies, but ETI, Zenith, Access, and First Bank lead in eligible capital.

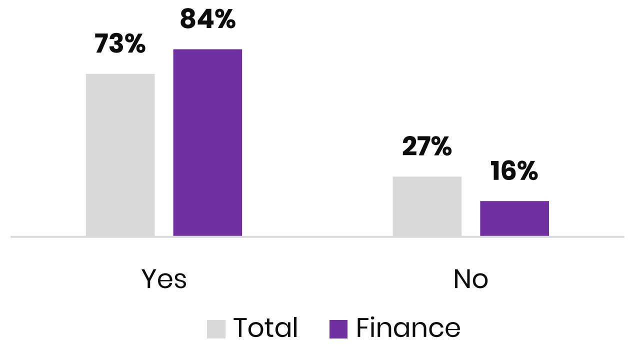
The finance sector has weathered the storm, and its contribution to the GDP has grown yearly. But what does this mean for employers and employees in this sector, which has seen growth? Has this growth and the turbulent economic conditions influenced employees' perception of what they deserve? What strategies and initiatives can be implemented to ensure employers and employees in this sector benefit equitably from growth?

The results from the survey answer some of these questions.

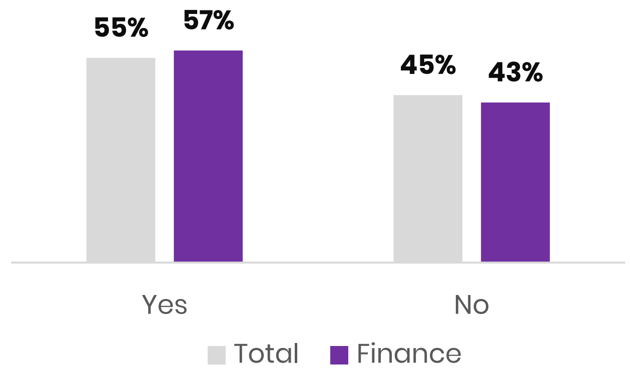
> "In 2023, the CBN released just four seculars. In only one quarter this year, the financial sector received four key seculars from the CBN."
>
> ***– C-level Executive, Finance***

The competitive nature of the finance sector implies a constant battle for talent

Contemplate job change

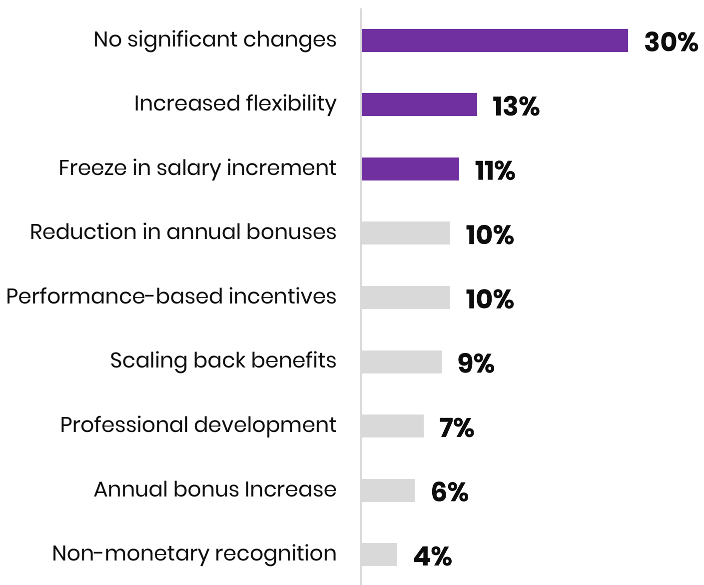


Contemplate relocation



- The finance sector exhibits a higher propensity for job change, which may reflect the competitive and dynamic nature of the industry.
- This competitive nature is relative to the plethora of opportunities available for employees in this industry.
- While the number of people contemplating relocation is slightly higher within this sector than in the general population, the difference is significant.
- Survey results indicate that most employees in the finance sector are looking to explore other opportunities.
- When making relocation plans, the percentage of individuals attempting to quit their jobs to relocate is also slightly higher in the finance sector vs. the total population.
- Within the finance sector, compared to the total population, there is a higher percentage of employees looking to change jobs than those looking to relocate. However, a narrower gap exists between the finance sector and the total population.

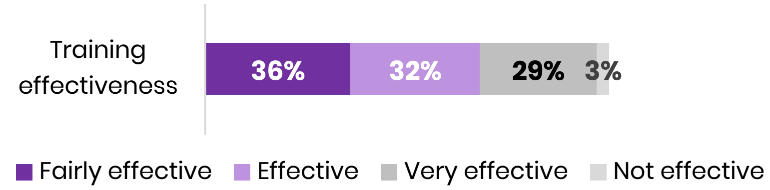
Rewards affected by economy



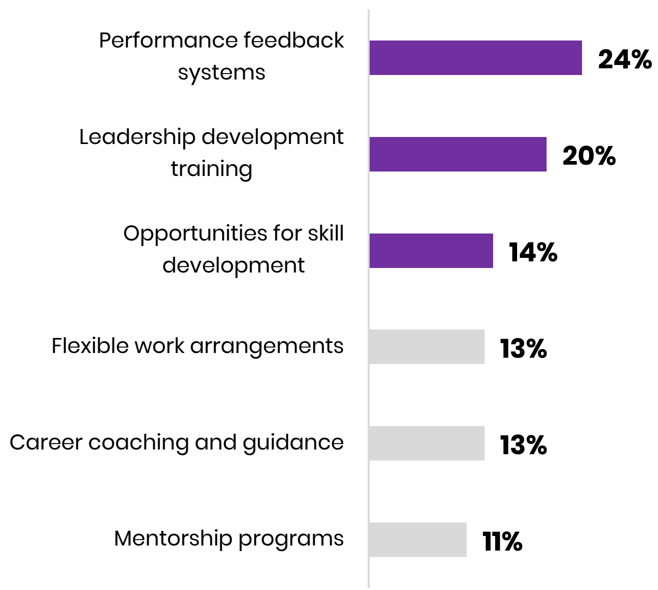
- Despite turbulent economic challenges, the finance sector has thrived, so it is no surprise that most employees have not had **significant changes** in their reward programs. Organisations can maintain their reward structure despite economic fluctuations.
- The data suggests that while organisations adjust their reward programs in response to economic conditions, most can maintain stability in their reward offerings.
- **Increased flexible work hours** and **freeze or salary reductions** are strategies organisations employ to navigate economic challenges while maintaining stability in the long term.
- This means employers are reducing some of that economic pressure, considering transportation costs have recently grown significantly.

Q8 - In the past six months, have you contemplated leaving your current job for another better-paying opportunity?
Q9 – In the past 12 months, have you contemplated leaving your current job to relocate abroad?
Q11 - In which of the following ways has the current state of the economy affected rewards given to you by your organisation? (Select top 3)

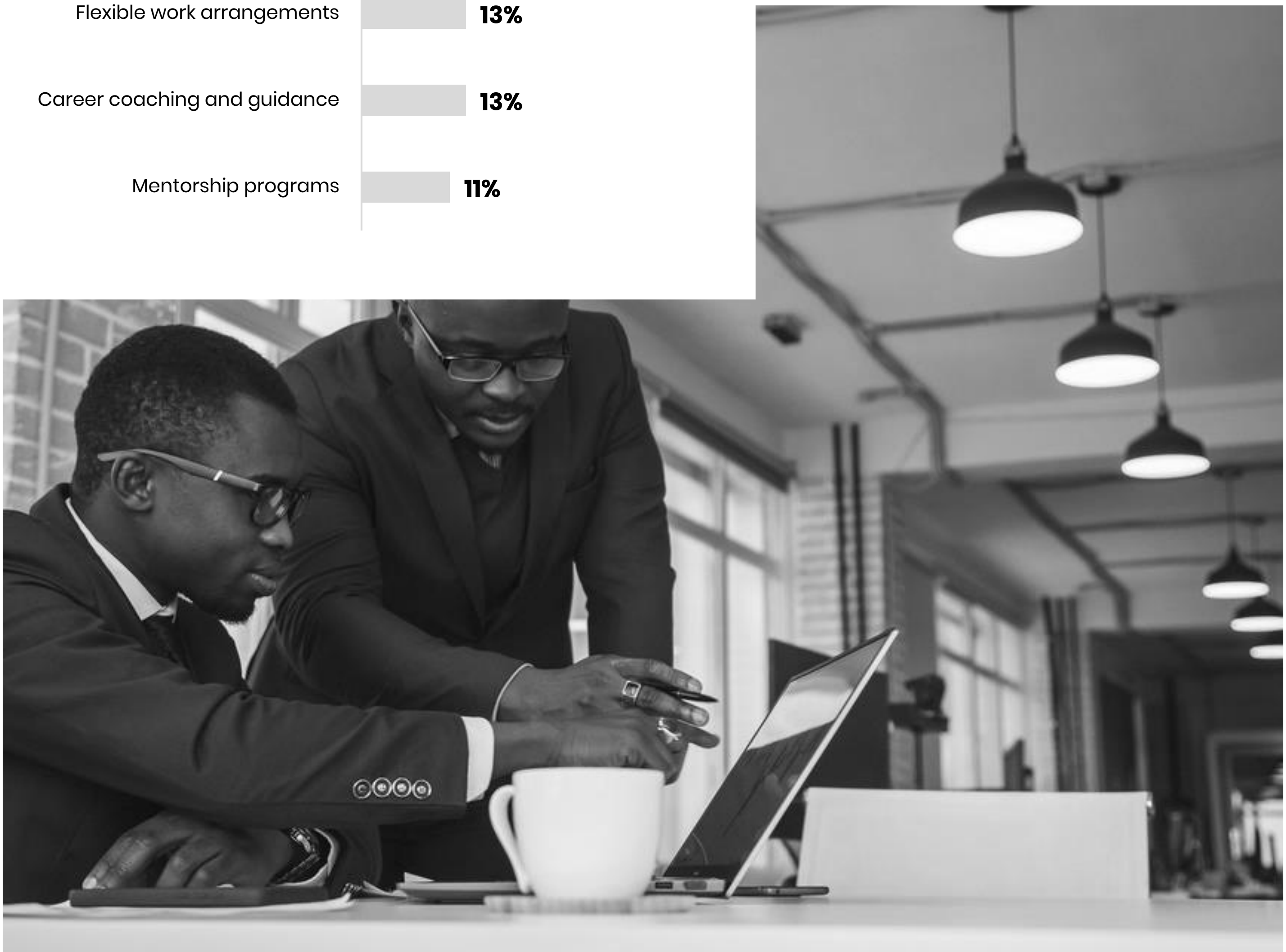
Feedback and Leadership are the current priorities for the finance sector



Current training and development



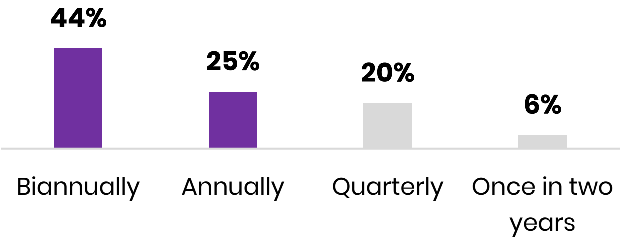
- Despite the relatively lower percentage of employees rating training and development as very effective, it is crucial to acknowledge that most employees in this study rate the current training positively; 68% rate the current training program as reasonably **practical and Effective**, indicating that many respondents find value in the programs provided.
- The top three current training and development programs in the finance sector are **Performance feedback systems (24%), Leadership development training (20%), and Opportunities for skill development (14%).**
- The survey results highlight strengths and areas of improvement, especially in the diversity of training offerings.



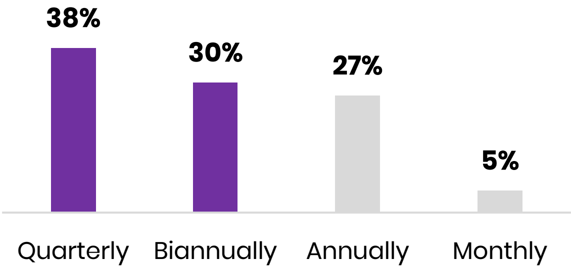
Q13 – How effective are the training and development opportunities provided by your organisation?
Q18 - Select the top 3 talent development activities carried out in your organisation

Employees in the finance sector are curious to know where they stand performance-wise

Performance review frequency



How often performance review should be done

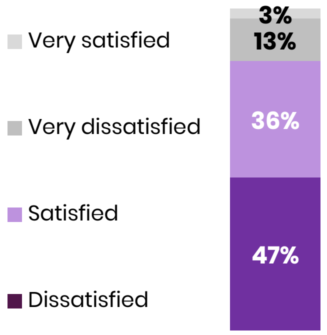


- Most firms in the finance space carry out performance reviews biannually at 44%, followed by annually at 25%. A lesser fraction of firms conduct performance reviews every two years at 6%.
- Survey results indicate that 38% of finance sector employees prefer quarterly performance assessments, followed by biannually at 30%.
- Of most employees, 38% desire quarterly performance reviews, showing a desire for more frequent input compared to the existing practice, where biannual assessments are most usual, 44%. The choice for quarterly reviews, 38%, is greater than the desire for biannual reviews, 30%, indicating that more respondents believe more frequent input is helpful for performance management and employee and career development.
- Organisations may need to examine the ramifications of matching performance review frequency to employee preferences. More frequent performance reviews can help with continuing performance talks, goal alignment, and skill development, leading to better performance results and greater employee productivity.

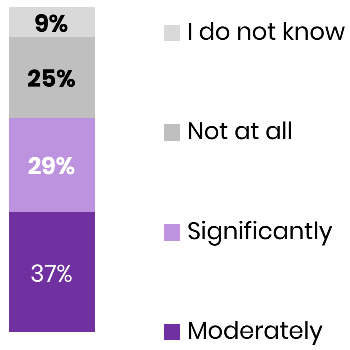
Q16 - How often is your performance reviewed?
Q17 – How often do you think performance reviews should be done?

If not performance, what else affects compensation?

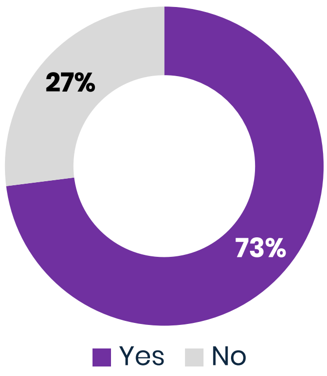
Satisfaction with salary



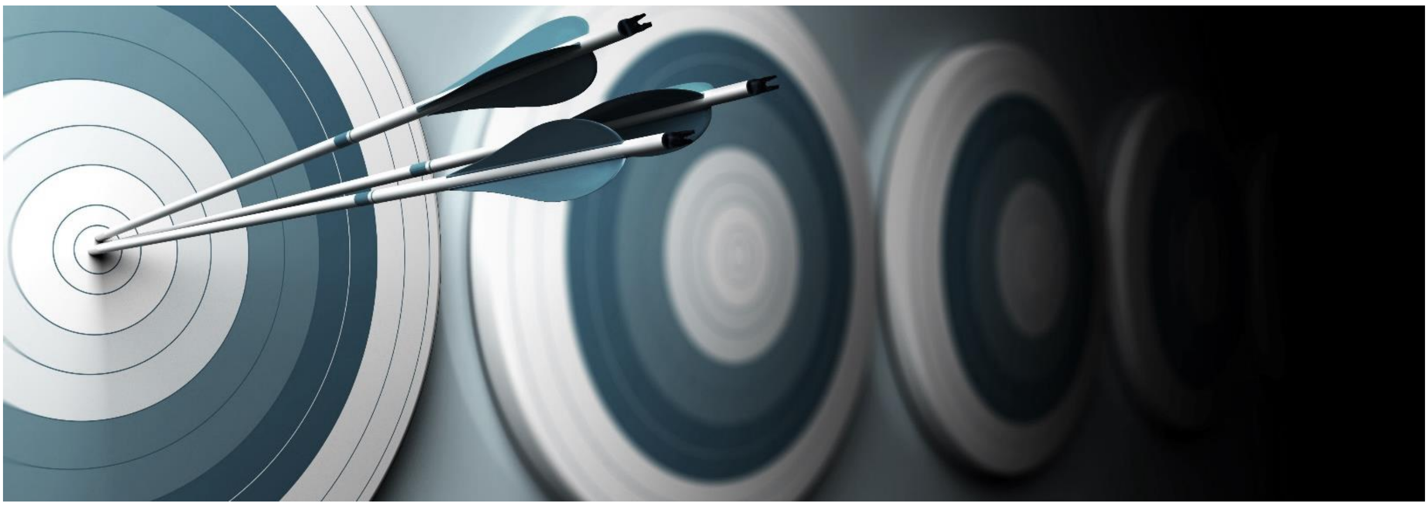
Performance vs Salary



Transparency of salary



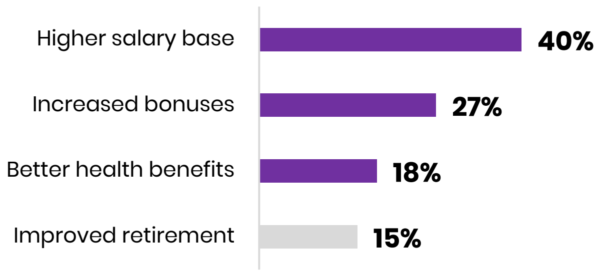
- Most employees are either Dissatisfied (47%) or Satisfied (36%) with their salaries. This data suggests that there may be concerns or perceived inadequacies regarding salary levels in this sector. The notable percentage of employees experiencing Moderate Satisfaction suggests that salary levels vary widely across organisations within this sector.
- High levels of wage dissatisfaction can impact employee retention, morale, and engagement in firms. Addressing compensation concerns and ensuring competitive and equitable salary levels can be crucial to attracting and retaining top talent in the finance sector.
- Regarding Salary Transparency, the finance sector has performed well, as 73% of employees believe there is some level of transparency in the process, and 27% of employees feel there is no transparency with salary structure.
- Regarding the perceived impact of performance reviews on compensation, A more significant proportion, 37%, report that performance reviews moderately impact compensation decisions. In comparison, 29% of respondents 29% indicate that performance reviews significantly affect decisions on their compensation.
- Individual judgments vary; hence, it’s no surprise that a sizable minority, 25%, believe that performance appraisals have no bearing on remuneration decisions, while a smaller amount, 9%, are unsure about the connection.



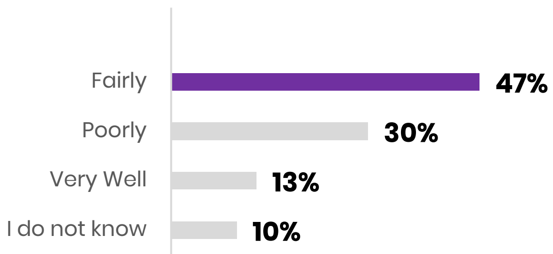
Q19 - How satisfied are you with your current compensation package (salary, bonuses, incentives)?
Q20 - Is the salary/pay structure in your organisation transparent to all?
Q22 - To what extent does your performance review affect decisions on your compensation?

Recognition, career development, and work-life balance are the most valuable non-financial rewards for employees in this sector

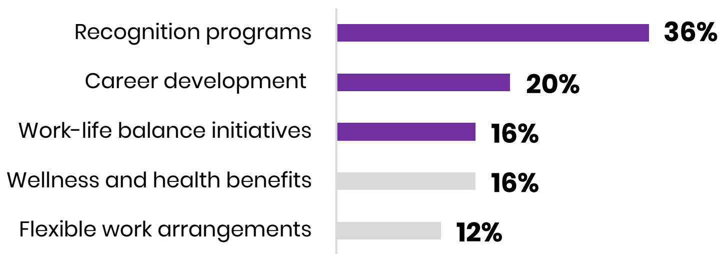
Top 3 drivers for job change



Inclusion of non-financial reward



Top 3 most valued non-financials



- According to employees, the top driver for job change is a higher salary base, with 40% indicating it as a primary motivator.
- Increased bonuses and incentives follow closely, with 27% of respondents citing it as a key driver.
- Better health benefits and improved retirement savings plans are also significant factors, though less prominent than salary and bonuses, with 18% and 15% of respondents identifying them as top drivers.
- Of most employees surveyed, 47% perceive that non-financial rewards are included reasonably within their organisations. A significant proportion, 30%, feel that non-financial rewards are included poorly. What is fascinating is that 10% of employees do not know whether non-financial rewards are included.
- This data indicates that 36% of employees value recognition and appreciation programs. These programs play a crucial role in fostering a positive work culture by acknowledging employees' contributions and achievements.
- One-fifth of 20% of employees value career development opportunities. This highlights the importance of investing in employee growth and skill enhancement to support career progression and advancement.
- Employees equally value wellness and health benefits and work-life balance initiatives, with both categories receiving 16% of responses. This underscores the significance of supporting employees' physical and mental well-being and providing resources and programs to help them achieve a healthy work-life balance.

Q23 - What would make you think about leaving your current job for another one (Select top 3)
Q25 – How well does your organisation include non-financial rewards in its total compensation?
Q26 - What non-monetary aspects of compensation do you value the most? (Select the top 3)

Professional Services

Staying relevant in the face of pivotal reforms

The core of Nigeria's professional services sector is a captivating story of transformation and growth, weaved through multiple economic reforms and innovative policies across administrations. It's a path characterised by perseverance, adaptation, and a never-ending pursuit of perfection.

In 2014, implementing the Nigerian Industrial Revolution Plan (NIRP) ushered in a new era of diversification and industrialisation. As businesses scrambled to capitalise on new opportunities, the demand for professional services skyrocketed, notably in engineering, project management, and procurement. Accenture, Ernst & Young, and McKinsey emerged as strategic leaders, guiding clients towards growth and success.

2016 saw a crucial moment in Nigeria's economic rebirth under the previous administration's leadership. The Treasury Single Account (TSA) program, which aimed to consolidate government resources and prevent corruption, paved the way for increased demand for financial advisiory services. Firms such as KPMG, PwC, and Deloitte embraced the opportunity, using their experience to advise customers through the complexity of legislative changes.

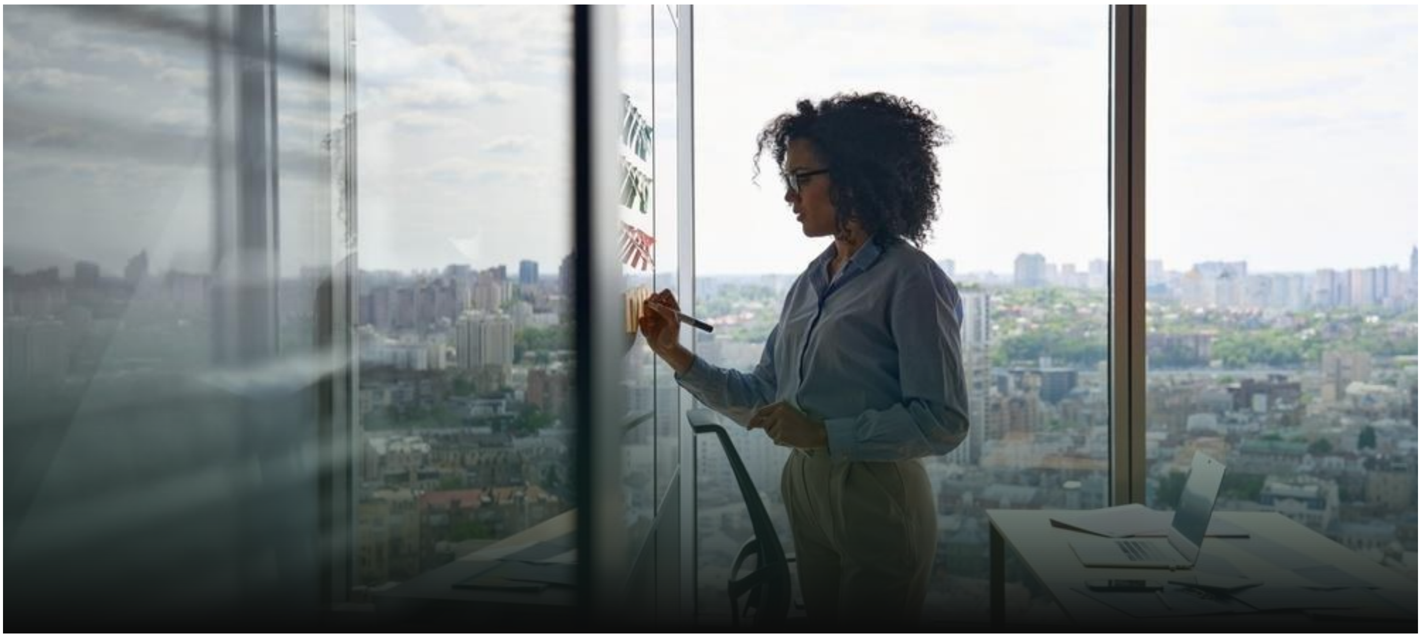
Almost simultaneously, at the end of 2016, the accountability landscape changed dramatically with the adoption of the Whistleblower Protection Policy, which aimed to combat corruption and promote transparency. This legislation increased demand for forensic auditing and investigative services as businesses attempted to protect their interests from the threat of fraud. Forensic Associates like Kroll, leaders in global risk management were already equipped with the knowledge to untangle complicated webs of fraud.

With the current administration, led by President Bola Ahmed Tinubu, the transformation journey continues uninterrupted, building on the foundation set by its predecessor. The administration's dedication to economic change and prosperity is tangible, evidenced by several ground-breaking policies and initiatives.

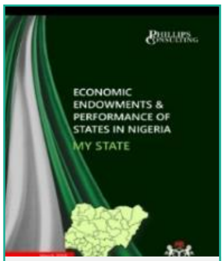
The most significant is the daring decision to eliminate fuel subsidies in 2023, signalling a shift toward more efficient resource allocation and less government spending. Professional services played a role in the recent audit of foreign exchange backlogs by the Central Bank of Nigeria (CBN), which uncovered invalid claims worth $2.4 billion. Deloitte, a major professional services firm, was hired to undertake the audit, emphasising the necessity of independent expertise in discovering and addressing financial problems.

The audit's results, which showed fraudulent claims and non-existent businesses, emphasise the importance of solid risk management and compliance frameworks in the banking sector. The CBN's dedication to settling valid transactions and reducing the backlog demonstrates the usefulness of professional services in supporting financial stability and integrity. As the professional services industry evolves, it will play an essential part in Nigeria's economic growth and development.

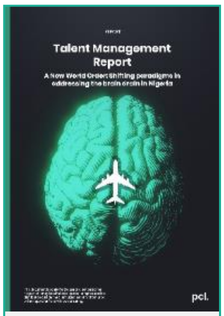
Furthermore, initiatives like the Nigerian Content Development and Monitoring Board (NCDMB)'s drive to improve local content in the oil and gas sector have increased demand for professional services, particularly in engineering, project management, and procurement.



pcl. is reframing the public narrative

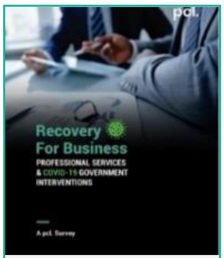


Economic Endowments & Performance Of States In Nigeria



Talent Management Report

Nigeria's Aviation Industry: Customer Satisfaction Survey Report



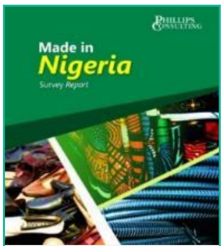
Recovery For Business: Professional Services & COVID 19 Government Interventions

From the Board Room Survey Report

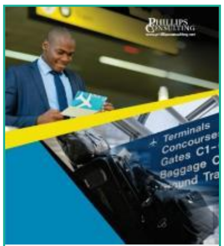
Africa's Evolving Cyber Threats Landscape

Mask in the Air Survey Report

Market Survey on T&E and Related International Spend Nigerian Businesses

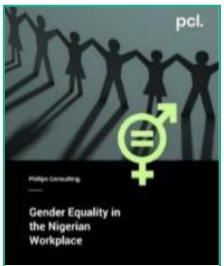


Made In Nigeria Survey Report



The 2015 Domestic Aviation Industry: Customer Satisfaction Survey Report

Managing Job Losses in Nigeria Due to COVID-19



Gender Equality in the Nigerian Workplace

pcl. pioneered HR innovation and change management for major public organisations such as the Nigerian Communications Commission, gaining recognition for their responsiveness to market developments.

Through solid industry reports, we have disrupted the People Transformation sector with the Talent Management Report – 'Japa Syndrome' in 2023, the 'Future of Work' report in 2022, and the second version of the Talent Management Report today in 2024.

pcl. also collaborated with the International Finance Corporation, reinforcing its dedication to empowering small businesses and driving economic prosperity, earning recognition from BusinessDay Newspaper.

Our partnership with several state governments has left a noteworthy mark across various sectors. pcl. helped review the tax collection methodologies at the Lagos State Internal Revenue Service (LIRS), which are aimed at enhancing operational efficiency at the Nigerian Institute of Management.

pcl. strategic partnerships with the Nigerian Governor's Forum and informative reports such as the State Performance Index (PSPI) cemented its position as a leader in the professional services industry.

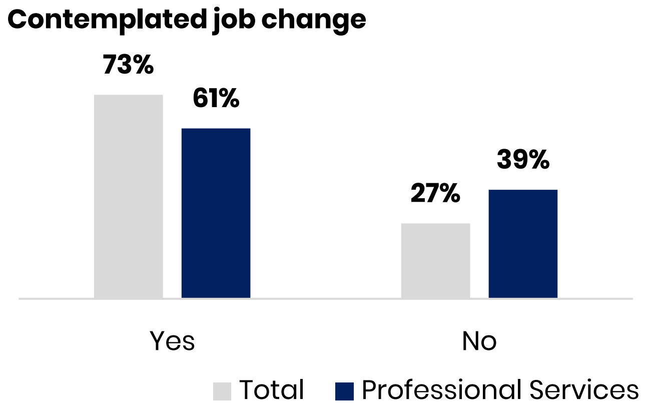
With each milestone reached, we have reinforced our commitment to excellence, creativity, and practical effect, altering the direction of work in Nigeria and leaving an inspirational legacy.

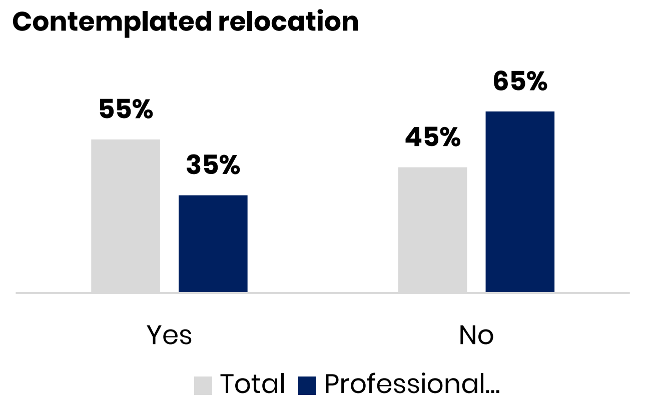
Nigeria's professional services sector looks promising, driven by digital change, sustainability, and innovation. Most businesses engage in cutting-edge technologies to stay ahead of the competition and provide unique value to their customers. However, despite the successes, there are challenges, ranging from personnel management issues to regulatory hurdles and economic uncertainty.

Where do we go from here to continue to bring out the best in this vibrant industry?

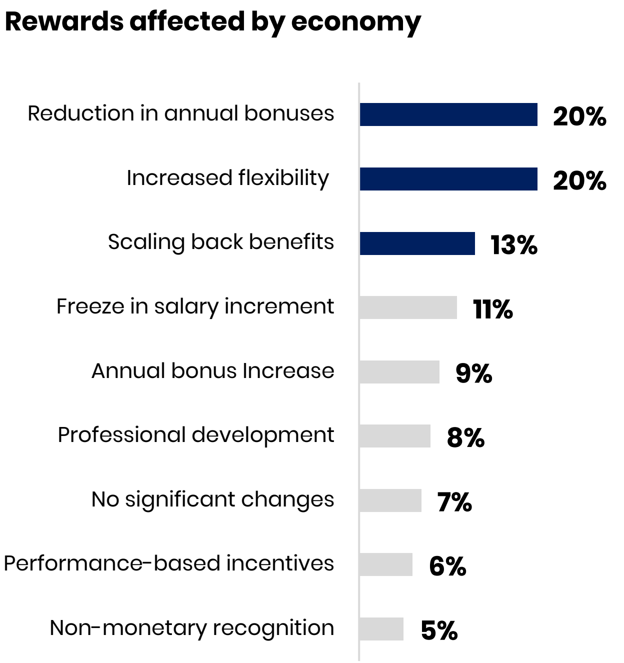
This survey answers some of the questions you may have.

Finding the balance between increased flexibility and employee satisfaction





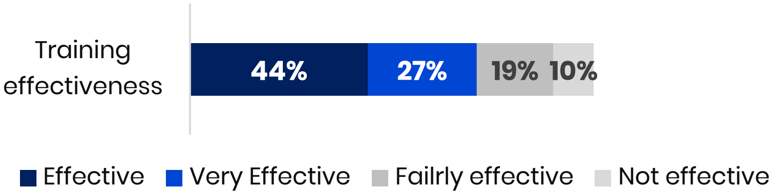
- In the professional services sector, 61% of employees have contemplated a job change, slightly lower than the overall average of 73%.
- Data suggests that, while job dissatisfaction or other factors may prompt some employees in professional services to consider changing jobs, the percentage is relatively lower compared to other sectors.
- Only 35% of employees in the professional services sector have contemplated relocation, significantly lower than the overall average of 55%.
- This highlights that a smaller proportion of employees in professional services are considering relocating for career opportunities or other reasons compared to the total population.
- Organisations in the professional services sector may need to identify factors contributing to employee satisfaction to improve their positive performance further.
- The lower inclination towards relocation among employees in this sector reflects how well they value their work and personal preferences.



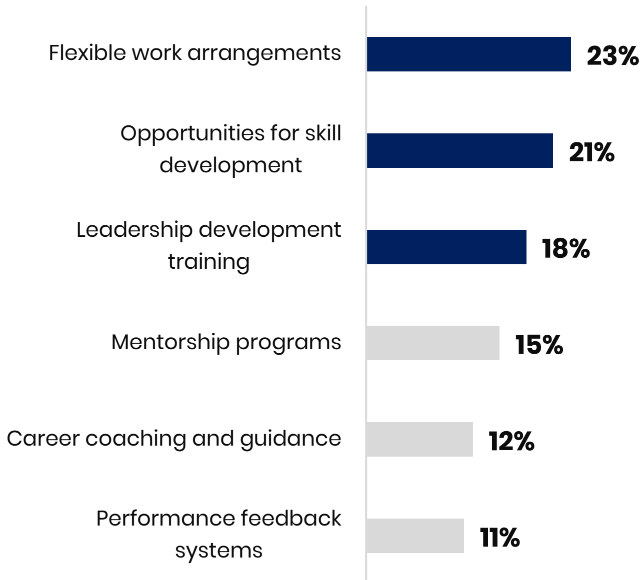
- The professional services sector exhibits a variety of responses to rewards affected by the economy. Responses emphasise that there has been increased flexibility in work hours and remote work options,20%, but there has also been a reduction in annual bonuses, 20%.
- This suggests that organisations in professional services may prioritise offering flexibility to employees and adjusting bonus structures in response to economic challenges.
- organisations may need to adopt strategies that balance cost-saving measures while maintaining employee morale and engagement
- Implementing flexible work arrangements and exploring alternative reward mechanisms can help organisations navigate economic uncertainties while retaining top talent and sustaining employee satisfaction.

Q8 - In the past six months, have you contemplated leaving your current job for another better-paying opportunity?
Q9 – In the past 12 months, have you contemplated leaving your current job to relocate abroad?
Q11 - In which of the following ways has the current state of the economy affected rewards given to you by your organisation? (Select top 3)

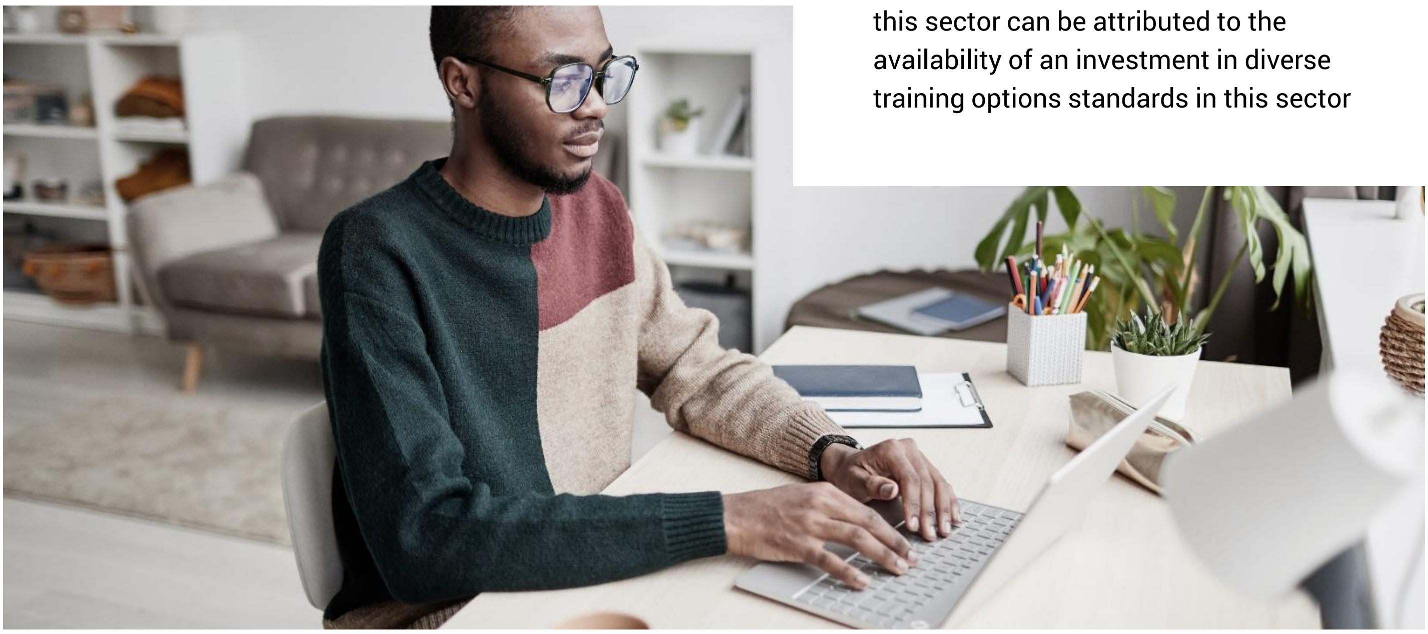
The Talent development strategy in this sector has been a success enhanced by flexible work arrangements



Current training and development

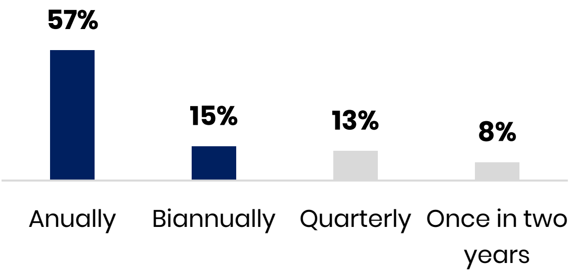


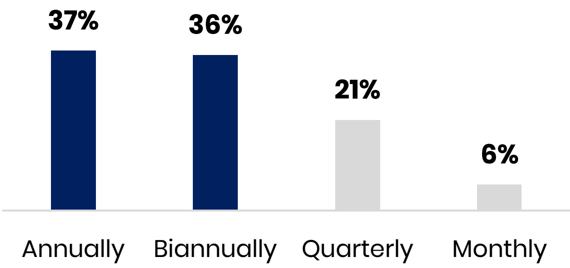
- Most employees rate training effectiveness positively, with 71% finding it practical or effective. However, a notable percentage, 10%, still perceive training as ineffective, indicating room for improvement in training programs within the professional services sector.
- Organisations must evaluate and enhance training programs to ensure they meet the needs and expectations of employees, particularly addressing areas identified as somewhat and not effective
- The most valued talent development activity for this sector is the flexible work arrangement, 23%, and it is no surprise that their schedule can give employees more control over their schedules for skill enhancement activities such as online courses, workshops, and self-study.
- Opportunities for skill development, 21%, and leadership development training,18%, may fall out from flexible work arrangements in the professional service sector.
- Higher perceived training effectiveness in this sector can be attributed to the availability of an investment in diverse training options standards in this sector



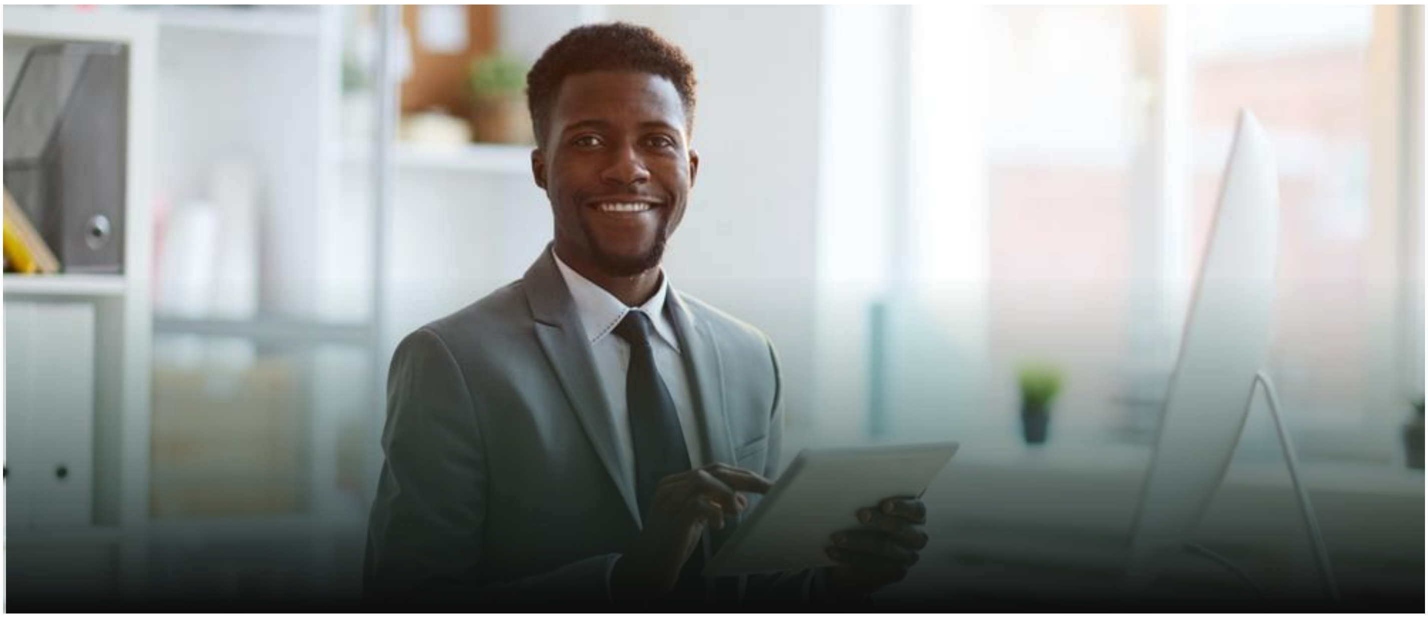
Q13 – How effective are the training and development opportunities provided by your organisation?
Q18 - Select the top 3 talent development activities carried out in your organisation

Regarding performance review, professionals love the status quo, but some may want more



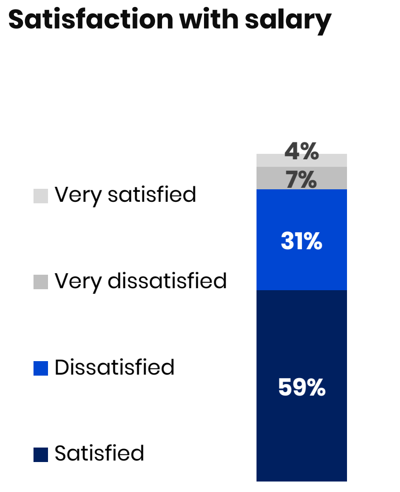


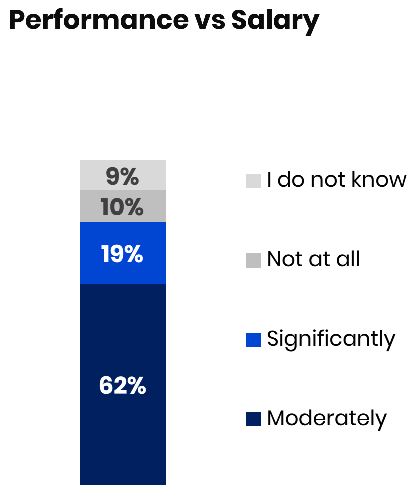
- Today, 57% of employees undergo performance reviews annually, followed by a smaller percentage undergoing biannual, 15%, or quarterly, 13% reviews.
- Annual performance reviews are the most common practice, providing organisations with a structured framework for evaluating employee performance. However, the relatively low frequency of biannual and quarterly reviews suggests marginal variations in review processes across organisations within the professional services sector.
- While a significant percentage prefer annual reviews, 37%, an almost equal proportion prefer biannual reviews, 36%. Quarterly reviews are preferred by 21% of employees, with only a tiny percentage, 6%, preferring monthly reviews.
- Although most employees in this sector would love to maintain the status quo, which is the Annual review, its relatively close variation with the annual review reflects a need for the industry to take a more iterative approach towards performance evaluation.

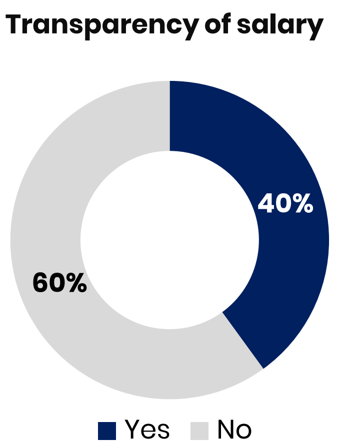


Q16 - How often is your performance reviewed?
Q17 – How often do you think performance reviews should be done?

There is significant room for improvement regarding pay structure transparency





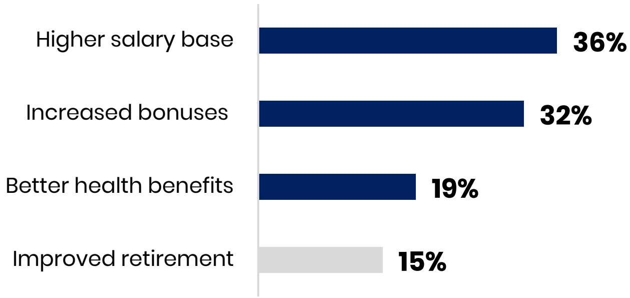


- 59% of employees in this sector express satisfaction with their salary, while a significant minority, 31%, report dissatisfaction.
- Most employees perceive their salary as meeting expectations, but dissatisfied employees highlight the need for regular review and adjustment to maintain competitiveness and equity.
- The data indicates that most employees, 62%, perceive a moderate relationship between their performance and salary.
- The perception of a moderate relationship suggests that employees generally believe their performance impacts their salary to some extent.
- Regarding salary and pay structure transparency, the professional service sector performed the worst in this survey, as 3 in 5 employees believe that the salary/pay structure is not transparent to everyone within their organisation.
- The presence of employees who perceive no relationship or are uncertain underscores the importance of transparent communication regarding the factors influencing salary decisions. Also, the absence of transparency in salary matters can contribute to employee dissatisfaction and perceptions of inequity.

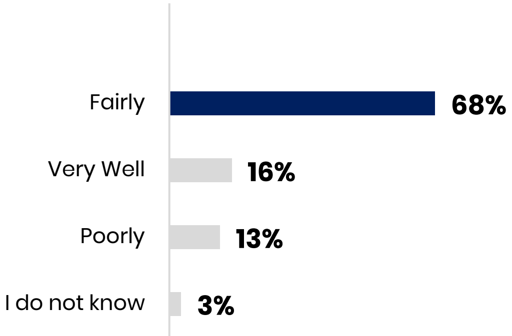
Q19 - How satisfied are you with your current compensation package (salary, bonuses, incentives)?
Q20 - Is the salary/pay structure in your organisation transparent to all?
Q22 - To what extent does your performance review affect decisions on your compensation?

The inclusion of non-financial rewards is perceived to be fair, directly contrasting pay structure transparency

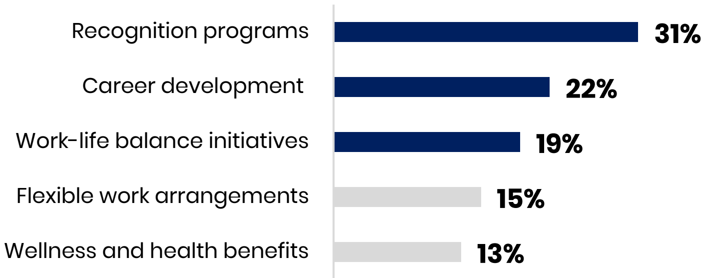
Top 3 drivers for job change



Inclusion of non-financial reward



Top 3 most valued non-financials



- In the finance and professional service sectors, the top 3 performance drivers for job change are identical.
- The data reveals that a higher salary base is the most significant driver for job change, with 36% of employees citing it as a top factor. It is closely followed by Increased bonuses and incentives, with 32%, and better health benefits, 19%.
- When we measure the inclusion of non-financial rewards, professional services outperform the finance sector, 68% and 47%, respectively.
- Most employees, 68%, perceive the inclusion of non-financial rewards reasonably within the organisation. A smaller percentage, 16%, feel they are included very well, while 13% believe they are included poorly.
- While most employees perceive fair inclusion of non-financial rewards, there is still room for improvement in ensuring that these rewards meet employee expectations and are transparent.
- Survey results also indicate a substantial similarity in what they most value when comparing the professional service versus the finance sector.
- Recognition and appreciation programs emerge as the most valued non-financial, with 31% of employees considering them a top priority. Career development opportunities follow closely behind, with 22% of employees valuing them highly.

Q23 - What would make you think about leaving your current job for another one (Select top 3)
Q25 – How well does your organisation include non-financial rewards in its total compensation?
Q26 - What non-monetary aspects of compensation do you value the most? (Select the top 3)

IT/TELCOM

The ripple effect of growth in Internet usage

The Nigerian Information Technology (IT) and Telecommunications (Telcom) sector witnessed significant growth and dynamic changes from 2023 to 2024, driven by evolving trends and indicators.

The Nigerian Telco market was estimated to be around USD 9.09 billion in 2023; by 2024, it is projected to reach USD 11.43 billion. This growth has been driven by various factors, such as government initiatives to enhance internet infrastructure and broadband connectivity, increased data consumption by businesses and individuals, and the deployment of 5G across the country.

At the start of 2023, Nigeria boasted 122.5 million internet users, reflecting a steady growth in digital adoption and connectivity. However, by 2024, the number slightly decreased to 103.0 million, with an internet penetration rate of 45.5% of the total population. Despite the decline in penetration rate, the absolute number of internet users remained substantial.

There is a strong correlation between internet usage and smartphone adoption growth, with 193.9 million cellular mobile connections active in early 2023 and 205.4 million in early 2024. Mobile devices retained their indispensable role in facilitating communication and access to digital services, highlighting their crucial importance in driving digital inclusion and connectivity nationwide.

Growth in Internet usage and smartphone adoption has also translated to increased social media usage, which has played a pivotal role in communication and engagement throughout both years. In January 2023, Nigeria had 31.60 million social media users, which increased to 36.75 million in January 2024. This growth underscored the increasing influence of social media in shaping public discourse and interaction.

The role of social media in Nigeria's 2023 election was significant and transformative. Beyond being a tool for rapidly disseminating political information, it acted as a conduit for political discourse, enabling swift transmission of information to a broader audience. Unlike previous elections, the 2023 cycle saw social media influence driven purely by citizens, not just paid influencers, with the biggest winners being Telco organisations.

The top 2 Telcom firms in Nigeria, MTN and Airtel, have seen remarkable growth. MTN Nigeria's service revenue for 2023 was NGN78 billion. However, due to the naira devaluation, MTN reported a post-tax loss of NGN135 billion. Airtel Nigeria experienced a 20.3% YOY growth compared to the previous year's revenue of NGN864 billion.

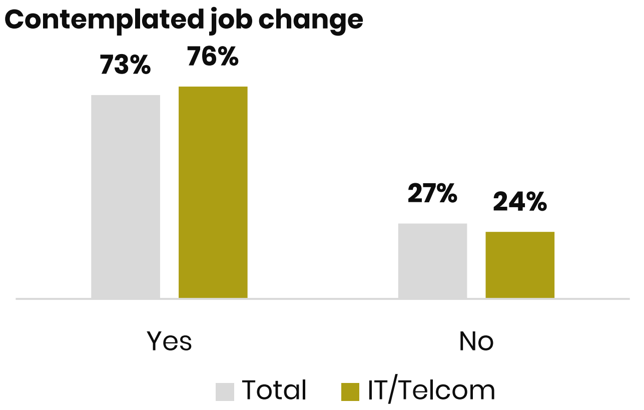
Rising smartphone adoption alongside payment innovations has diversified the e-commerce segment. Informal retailers, integral to Nigeria's economy, are going digital. Many SMEs now operate in e-commerce, contributing to its overall growth.

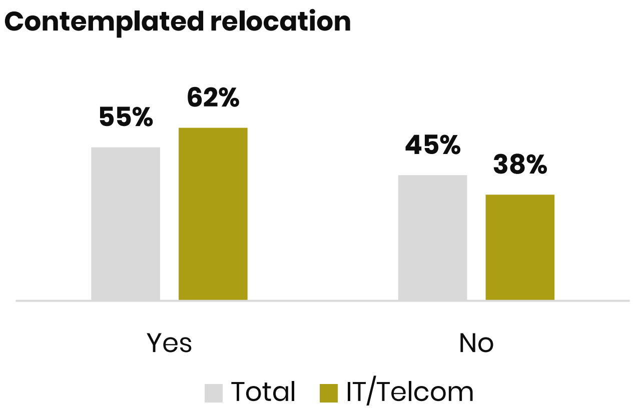
The Federal Government is paying attention to the growth in the IT sector and has attempted to play its part. Under Dr Bosun Tijani's leadership, the Ministry of Communications, Innovation, and Digital Economy launched the 3MTT program. The goal is to train three million Nigerians in various tech skills over the next four years. The program's first phase has already selected 30,000 participants undergoing training in cybersecurity, data analysis, and search engine optimisation (SEO).

The National Artificial Intelligence Strategy was launched in Nigeria during the National Artificial Intelligence Strategy Workshop, which took place in Abuja from April 15th to 18th, 2024. This strategic initiative aims to empower Nigerians through the Digital Nigeria Program by harnessing the potential of artificial intelligence for sustainable development and inclusive growth.

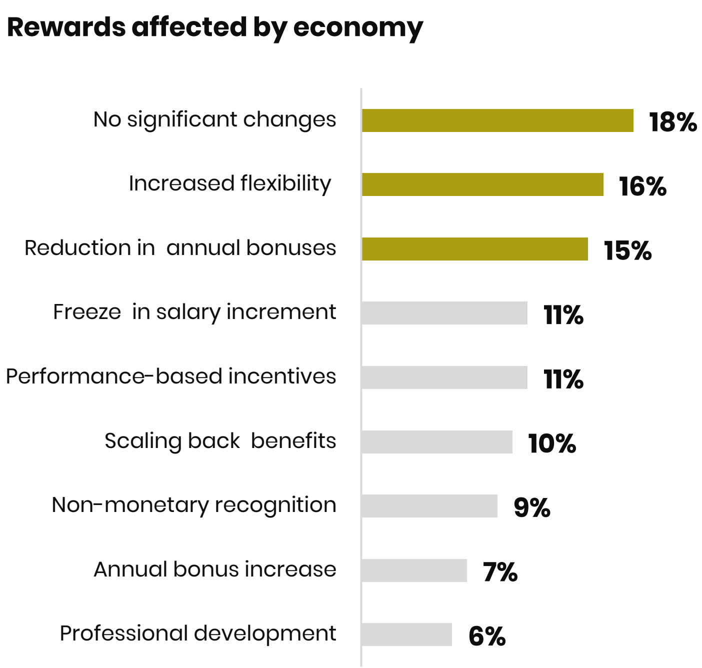
The rapid growth of internet usage in many aspects of our lives, especially in finance, has also coincided with the development of cyber crimes in Nigeria. The government recognises the importance of cybersecurity, and measures have been taken to strengthen cybersecurity infrastructure to build digital trust.

The IT/Telcom professionals are searching for career opportunities at home and abroad





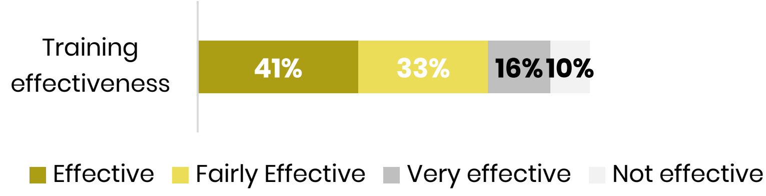
- In the IT/Telcom sector, 76% of employees have contemplated a job change, slightly higher than the overall average of 73%.
- This suggests that a significant portion of professionals in this sector are considering job changes, possibly driven by factors such as the plethora of career growth opportunities, competition, and the drive to search for a better working environment unique to this sector.
- Employers in this sector always pay close attention to factors influencing job satisfaction to mitigate attrition.
- A majority, 62% of IT/Telcom sector employees have contemplated relocation, which is higher than the overall average of 55%.
- The survey suggests that many professionals are open to relocating for career opportunities or other reasons.
- The uniqueness of this sector translates to an array of job opportunities for professionals outside of Nigeria.



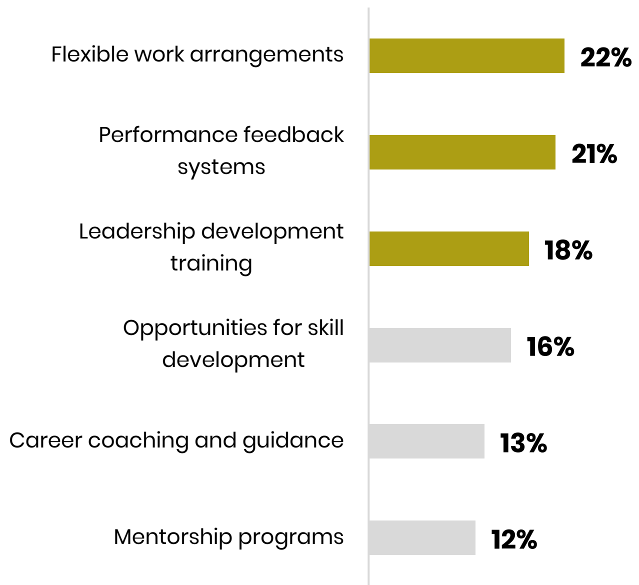
- The most noteworthy include No significant changes in reward options at 18% and Increased flexibility in work hours or remote work options at 16%.
- The IT/Telco sector sits only behind the Professional service sector in Increased flexibility.
- Like professional services, the IT/Telcom sector has prioritised increased flexibility over adding annual bonuses to navigate the economic crisis.
- While the current strategy helps navigate economic challenges in the short term, data suggests that their desire to always search for the next best opportunity at home and abroad means employers may need to adapt their reward strategies to remain competitive and retain talent during economic fluctuations.

Q8 - In the past six months, have you contemplated leaving your current job for another better-paying opportunity?
Q9 – In the past 12 months, have you contemplated leaving your current job to relocate abroad?
Q11 - In which of the following ways has the current state of the economy affected rewards given to you by your organisation? (Select top 3)

Positive sentiment toward training and flexibility in the workforce



Current training and development

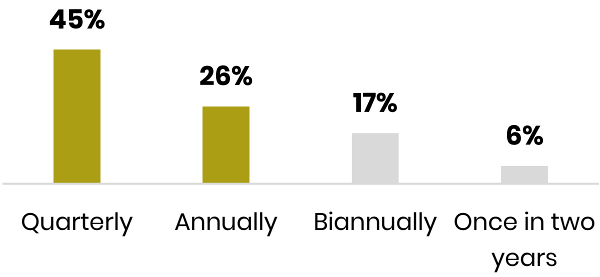


- A notable 41% of employees perceive training effectiveness as effective, with an additional 33% rating it as reasonably practical. This indicates a generally positive sentiment towards training programs within the sector, with most employees finding them beneficial for their professional growth and development.
- This is a strong performance in an industry where emphasis is placed on personal learning.
- The strong and positive perception of training effectiveness highlights the sector's investment in employee development.
- The sector values flexible work arrangements, with 22% of employees indicating availability. This highlights the significance of work-life balance and employee autonomy in boosting engagement and productivity.
- Its Performance feedback systems scores, 21% alongside flexibility, strongly correlate with training effectiveness.

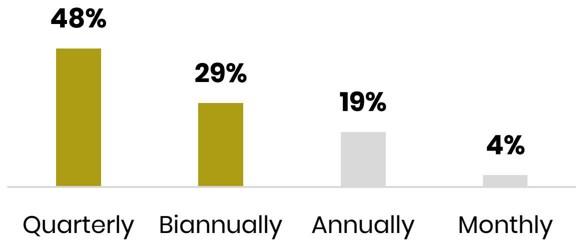
Q13 – How effective are the training and development opportunities provided by your organisation?
Q18 - Select the top 3 talent development activities carried out in your organisation

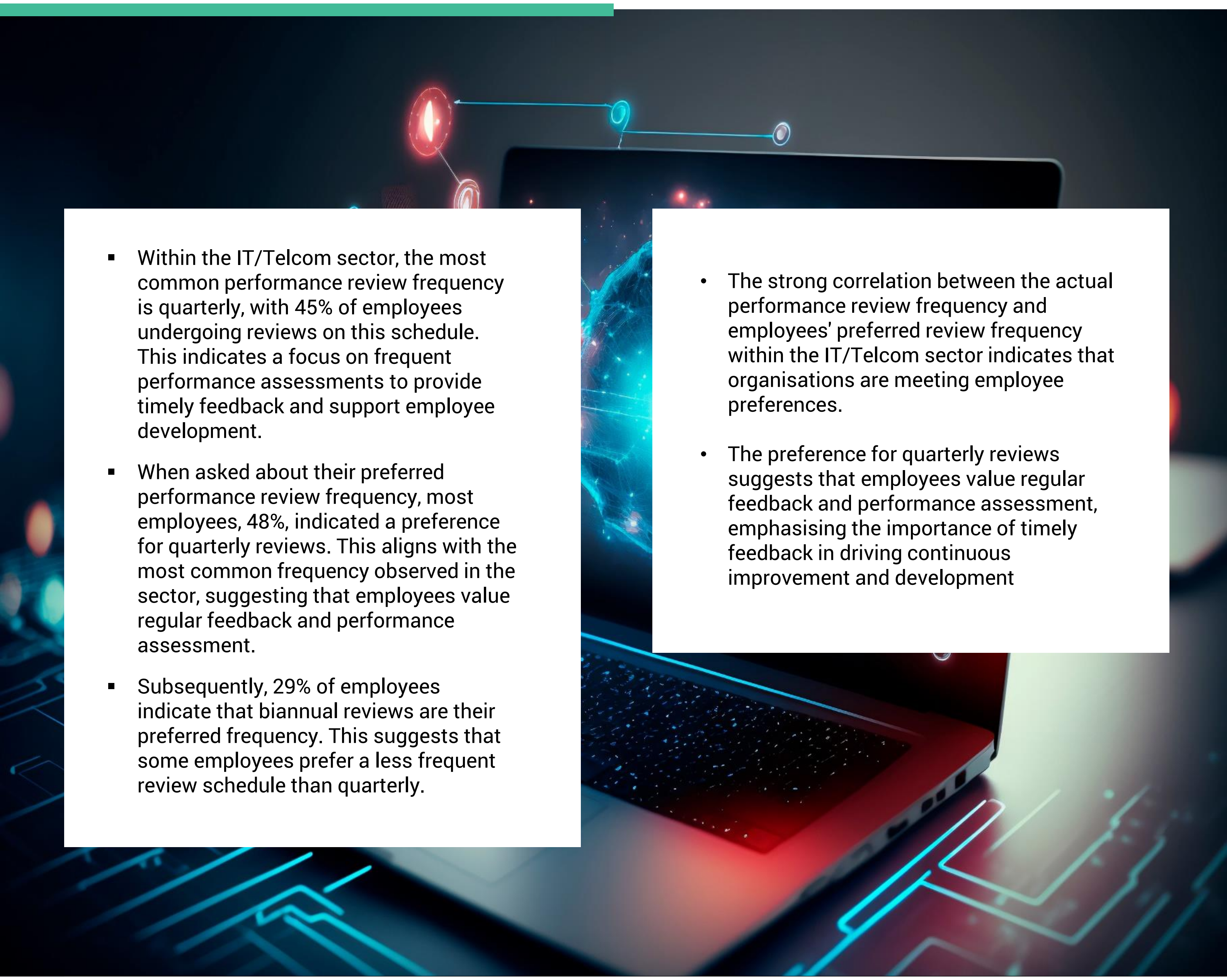
The nature of the sector requires frequent performance reviews, and professionals are in tune

Performance review frequency



How often performance review should be done



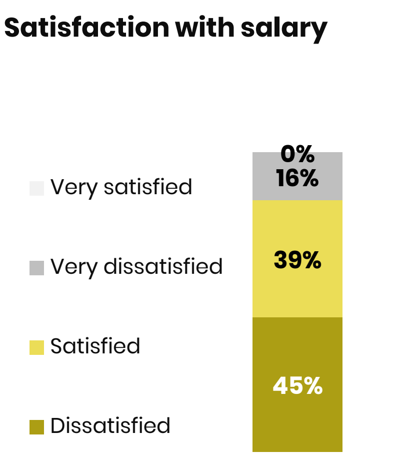


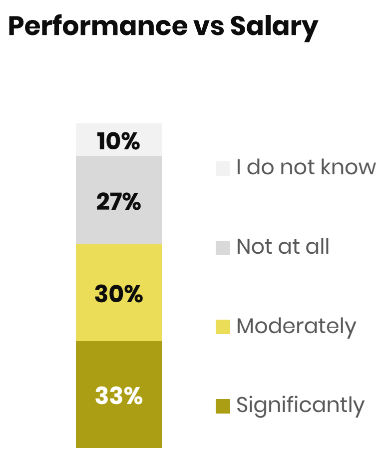
- Within the IT/Telcom sector, the most common performance review frequency is quarterly, with 45% of employees undergoing reviews on this schedule. This indicates a focus on frequent performance assessments to provide timely feedback and support employee development.
- When asked about their preferred performance review frequency, most employees, 48%, indicated a preference for quarterly reviews. This aligns with the most common frequency observed in the sector, suggesting that employees value regular feedback and performance assessment.
- Subsequently, 29% of employees indicate that biannual reviews are their preferred frequency. This suggests that some employees prefer a less frequent review schedule than quarterly.

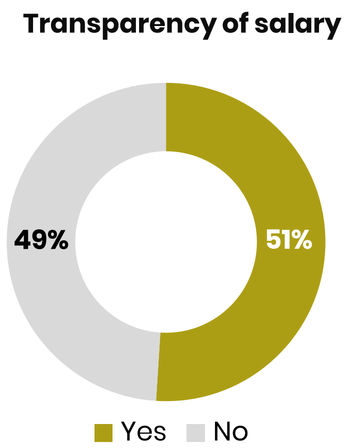
- The strong correlation between the actual performance review frequency and employees' preferred review frequency within the IT/Telcom sector indicates that organisations are meeting employee preferences.
- The preference for quarterly reviews suggests that employees value regular feedback and performance assessment, emphasising the importance of timely feedback in driving continuous improvement and development

Q16 - How often is your performance reviewed?
Q17 – How often do you think performance reviews should be done?

A strong correlation between salary dissatisfaction and transparency in the IT/Telco sector





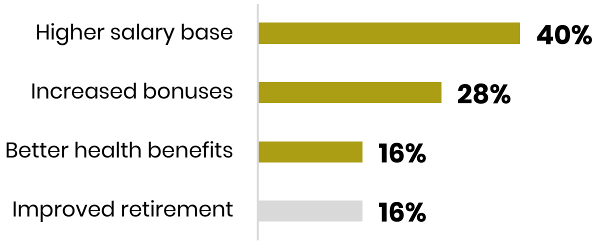


- It has been established that they will always want more, so it's no surprise that data reveals that 45% of IT/Telcom sector employees are dissatisfied with their salary.
- On the other hand, 39% of employees report being satisfied with their salary, while a small percentage, 16%, express strong dissatisfaction.
- Notably, no employee indicates being very satisfied with their salary, leaving room for the question: What is the ideal compensation structure in the IT/Telcom sector?
- When considering the relationship between performance and salary, 33% of IT/Telcom sector employees perceive a significant correlation. This indicates that a considerable portion of the workforce believes their performance is directly linked to their compensation.
- Additionally, 30% of employees perceive a moderate correlation between performance and salary, while 27% believe no correlation exists.
- Regarding salary transparency, 51% of employees perceive transparency in salary-related matters within the IT/Telcom sector. This suggests that most employees feel adequately informed about their compensation structure and related policies
- However, the remaining 49% of employees indicate a lack of transparency in salary matters, signalling a need for improved communication and clarity regarding salary structures and decision-making processes

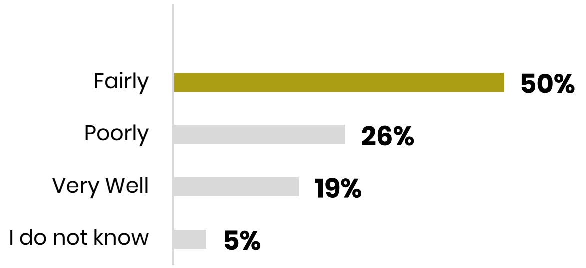
Q19 - How satisfied are you with your current compensation package (salary, bonuses, incentives)?
Q20 - Is the salary/pay structure in your organisation transparent to all?
Q22 - To what extent does your performance review affect decisions on your compensation?

There's no compromise on career development and work-life balance for professionals in this sector

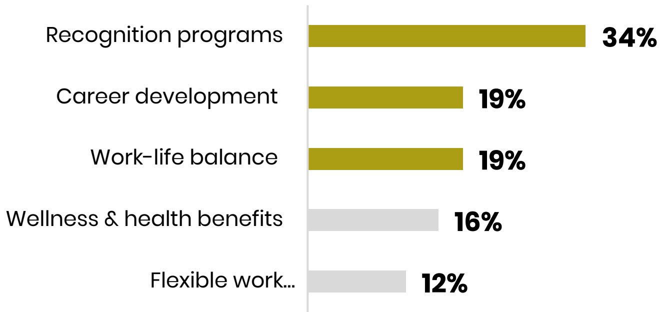
Top 3 drivers for job change



Inclusion of non-financial reward



Top 3 most valued non-financials



- Like the finance sector, the IT/Telco sector equally prioritises a Higher salary base at 40%. This highlights the significance of competitive compensation in attracting and retaining talent within the industry.
- Increased bonuses and incentives follow closely behind, with 28% of employees identifying them as a critical driver for a job change. This emphasises the importance of reward structures beyond basic salary in motivating employees and incentivising performance.
- Many employees, 50% perceive the inclusion of non-financial rewards reasonably within the IT/Telcom sector, indicating a moderate level of satisfaction with non-monetary recognition programs. This is only behind health and professional services, which is at par with Education regarding fairness.
- However, a significant percentage of employees, 26%, feel that non-financial rewards are included poorly, suggesting areas for improvement in recognising and appreciating employee contributions beyond financial incentives.
- Recognition and appreciation programs, 34%, sit above Career development and Work-life balance, respectively, at 19%.
- Equal performance in career development and work-life balance reflects employees' desire for employers to simultaneously recognise the importance of employee well-being and professional growth. They are in tandem.

Q23 - What would make you think about leaving your current job for another one (Select top 3)
Q25 – How well does your organisation include non-financial rewards in its total compensation?
Q26 - What non-monetary aspects of compensation do you value the most? (Select the top 3)

Education

Exploring alternatives in the face of neglect

For the past year, the education sector has focused on financial accessibility, systemic reforms, and inclusive education policies to address the challenges faced by the Nigerian education sector.

It's an ongoing process, and further developments are expected as the government and stakeholders continue to work towards improving the quality and accessibility of education in Nigeria. However, meeting a middle ground has been a dance for decades, as neglect has remained a recurring theme across multiple administrations.

The Nigerian federal government allocated 8.2% of its 2023 budget to education, a significant increase from the previous year's allocation of 5.4%. This fell short of the UNESCO recommendations for education funding.

In 2023, fee hikes in public universities were a topic that defined the sector. There was a significant fee increase at federal universities, often more than 100%. Despite a presidential directive to halt arbitrary fee increases, many institutions continued with the hike due to inflation and insufficient government funding. The Federal Ministry of Education clarified that the fee increments were done as universities could no longer cover the cost of accommodation and utilities.

The University of Lagos (UNILAG) increased its charges for the 2023/2024 academic session, with fees ranging up to NGN240,250 depending on the courses of study and level. Other federal universities followed suit earlier in 2023, ignoring the federal government's directives, which insist that federal government-owned institutions remain tuition-free.

The Student Loan Bill was one of the most notable reforms the newly elected president introduced. As a crucial component of the Access to Higher Education Act 2023, this bill financially supported students seeking higher education. It was signed into law on the 3rd of April 2024. The primary aim of this bill is to guarantee sustainable higher education and promote functional development for all Nigerian students and youths

This bill has its concerns. The first iteration of the Student Loan Act of 2023 faced challenges in governance, management, eligibility criteria, application process, repayment provisions, and loan recovery.

The new Student Loans (Access to Higher Education) (Repeal and Re-enactment) Act, 2024, addresses these issues, clarifying governance and management, the application process, loan provision, and interest rates (It is an interest-free loan).

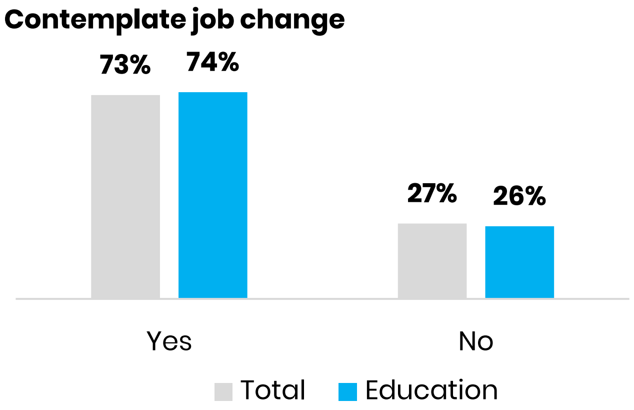
Despite readjustments, the urgency of the Student Loan Act as a solution to the education system's lack of funding cannot be overstated. Educationists have called for a comprehensive and immediate overhaul of the education system, focusing on bringing 15 million out-of-school children back to the classroom, recruiting and training more female teachers and developing strategies for Public-Private Partnerships (PPPs) to improve education.

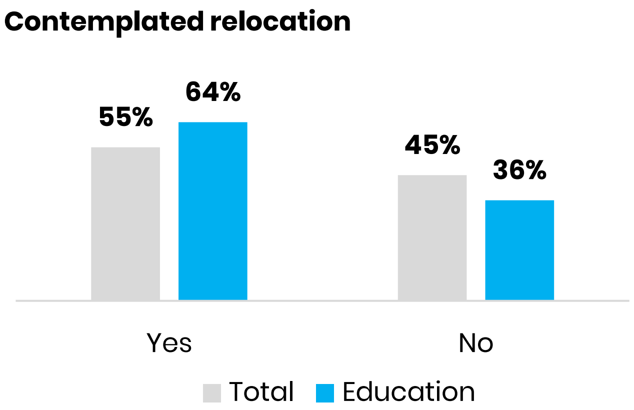
The PPPs recognise that Nigeria faces significant infrastructure gaps across various sectors, including education and believe this lack negatively affects the quality of education delivery.

The Minister of Education has also revealed a roadmap for basic education, prioritising foundational and primary education, integrating non-formal schools into formal education systems, and enhancing opportunities for girl-child education.

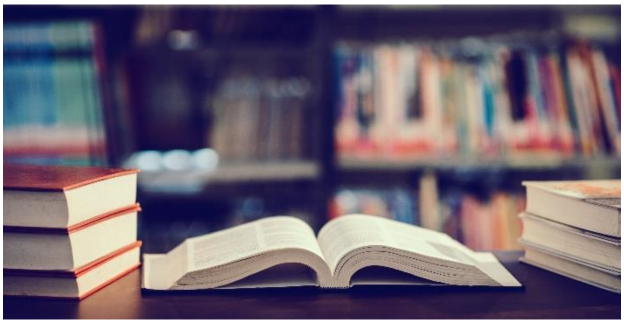
While multiple reforms have shown the government's dedication to enhancing the educational infrastructure, quality and accessibility, the need for government investment is not just significant but urgent. Immediate and substantial investment is necessary to bring about the transformative change required to overhaul the education system.

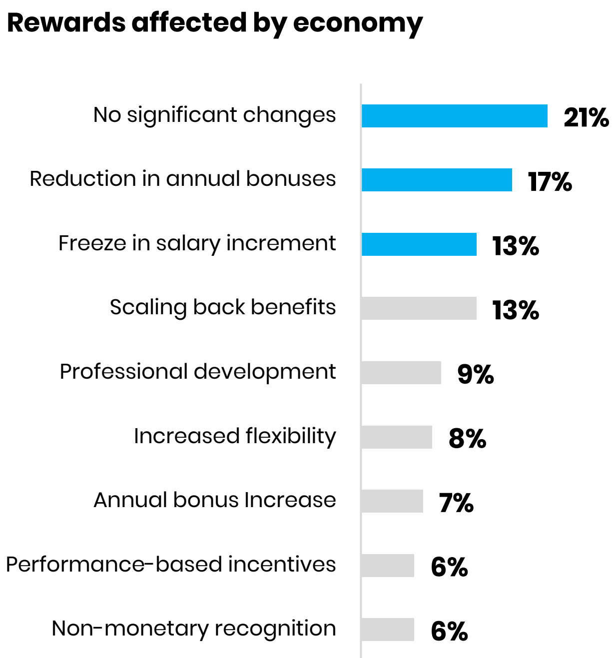
Professionals in this sector have seen little to no salary improvement without increased flexibility in schedules





- Within the education sector, 74% of employees have contemplated changing jobs, slightly higher than the overall average of 73%. This suggests that job mobility within the industry is not significantly different from that of the general population.
- However, 64% of employees have contemplated relocation, higher than the general population's contemplation of job change. This indicates a notable willingness among education professionals to relocate for career opportunities.
- The high contemplation rates for job change and relocation within the education sector suggest a dynamic workforce seeking new opportunities and career growth

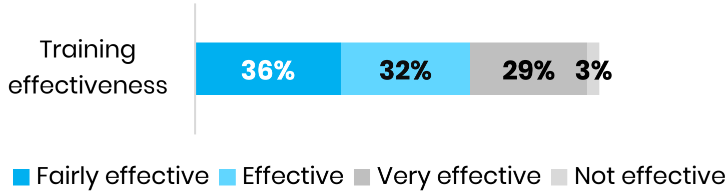




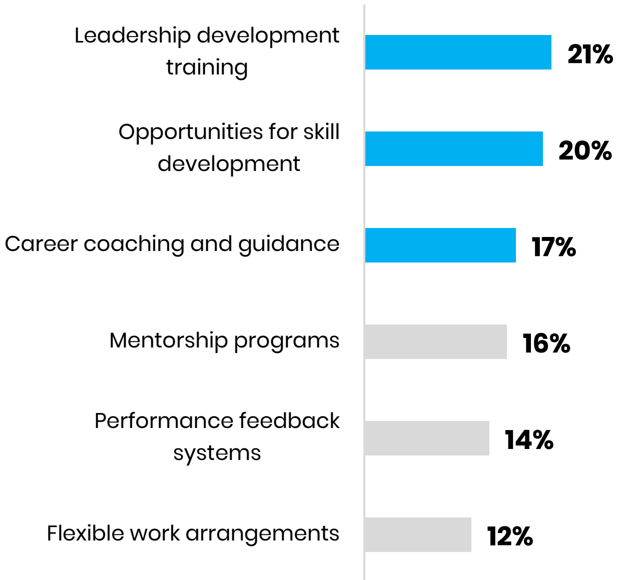
- Compared to other sectors, the education sector has undergone all negatives regarding compensation.
- There have not been any significant changes in rewards, at 21%. Still, the data also reveals reductions in annual bonuses, at 17%, scaling back employee benefits, at 13%, and freezes or reductions in salary increments, at 13%.
- Of all the sectors covered in the survey, education has the second lowest performance regarding increasing flexibility, 9%, and is only behind the public service sector at 3%. This suggests that, despite the economic challenges, professionals in this sector have not experienced any cushioning effect from their employers.

Q8 - In the past six months, have you contemplated leaving your current job for another better-paying opportunity?
Q9 – In the past 12 months, have you contemplated leaving your current job to relocate abroad?
Q11 - In which of the following ways has the current state of the economy affected rewards given to you by your organisation? (Select top 3)

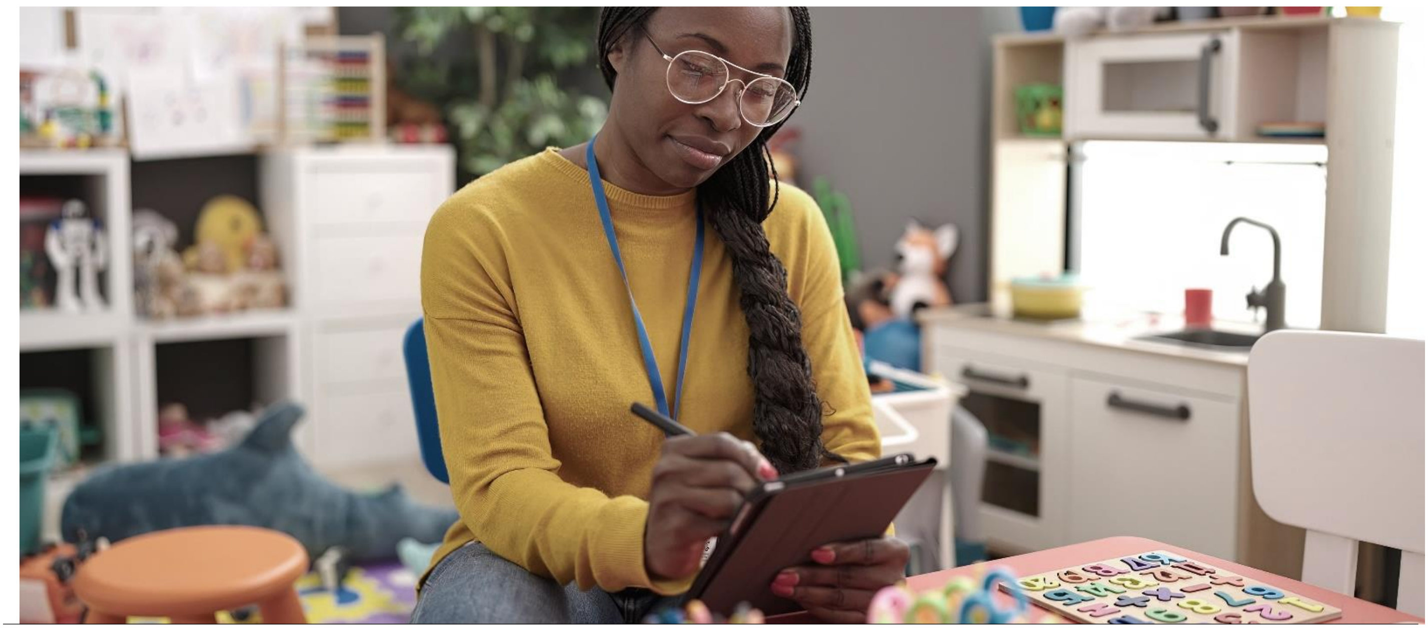
Education ranks the lowest in performance feedback systems for all sectors surveyed



Current training and development

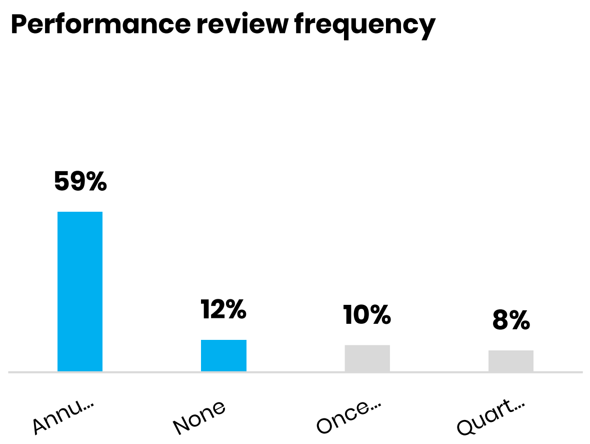


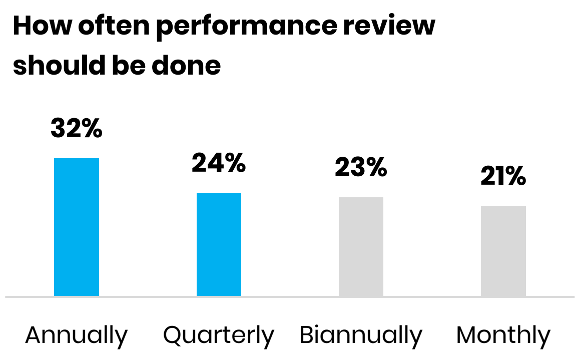
- In education, 36% of employees perceive training effectiveness as reasonably practical, while 32% find it compelling. This indicates a generally positive sentiment towards training programs.
- Additionally, 29% of employees perceive training as very effective, suggesting that some programs have been particularly impactful in developing employee skills and competencies.
- The positive sentiment towards training effectiveness highlights the sector's emphasis on continuous learning and skill enhancement.
- This sector prioritises Leadership development training at 21%, Opportunities for skill development at 20%, and Career coaching and guidance at 17%.
- Unlike other professional sectors, there is less emphasis on Performance feedback systems. It ranks the lowest compared to every other industry covered in this survey.
- Establishing a culture of continuous feedback can help elevate performance feedback systems and better support the professional growth and success of educators and staff in the education sector.



Q13 – How effective are the training and development opportunities provided by your organisation?
Q18 - Select the top 3 talent development activities carried out in your organisation

Many professionals in this sector want to change the performance review status quo

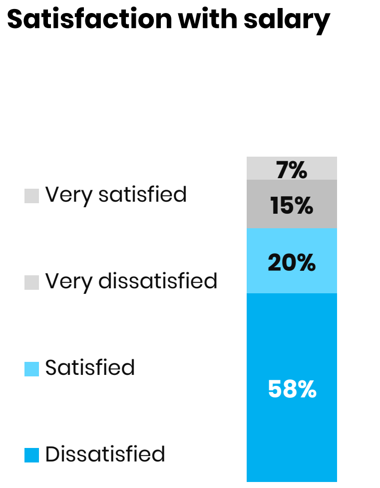


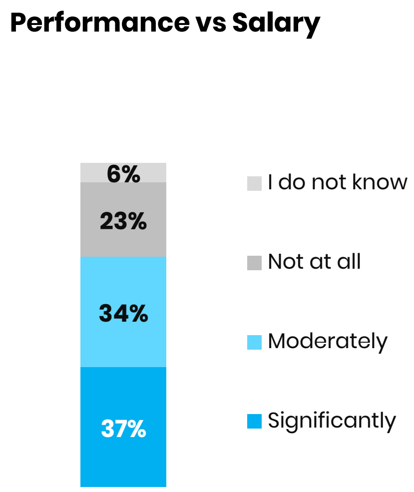


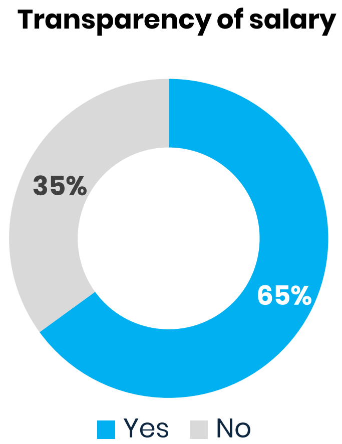
- In the education sector, the most common performance review frequency is annually, with 59% of employees undergoing reviews on this schedule. This indicates a prevalent practice of conducting performance evaluations once per year, potentially limiting opportunities for frequent feedback and development.
- A significant portion of employees, 12%, report no performance reviews, suggesting potential gaps in performance management processes within some organisations in the sector.
- The prevalence of annual performance reviews in the education sector suggests a traditional approach to performance management, with a focus on conducting evaluations every year.
- When asked about their preferred performance review frequency, most employees, 32%, indicate a preference for annual reviews. This aligns with the most common frequency observed, suggesting a general acceptance of the current practice within the sector.
- However, 24% of employees prefer quarterly reviews, indicating that a significant portion of the workforce values frequent feedback and assessment.
- The discrepancy between actual and preferred performance review frequencies suggests opportunities for education sector organisations to reassess their performance management processes and consider implementing more flexible and frequent feedback mechanisms to meet employee preferences better and support continuous development and improvement.

Q16 - How often is your performance reviewed?
Q17 – How often do you think performance reviews should be done?

Although pay structure transparency is higher than in most sectors surveyed, there is a salary crisis here.



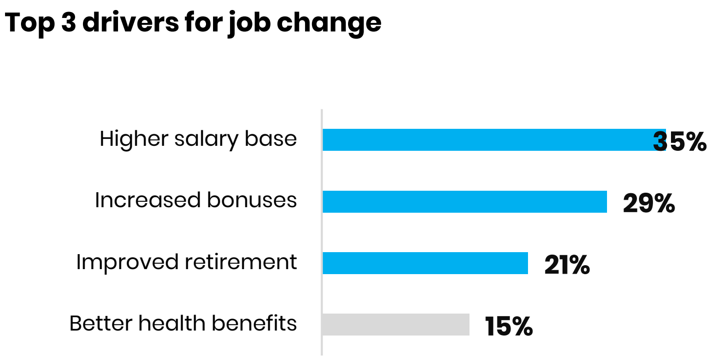


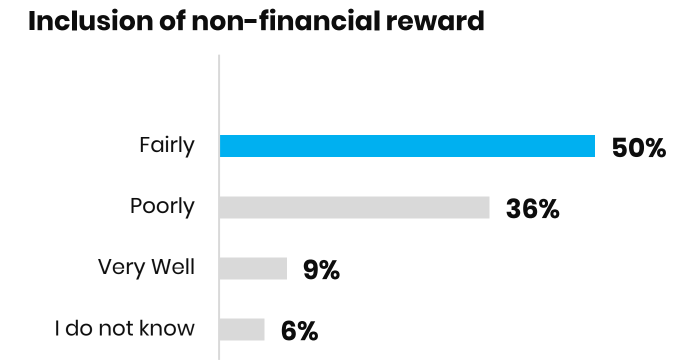


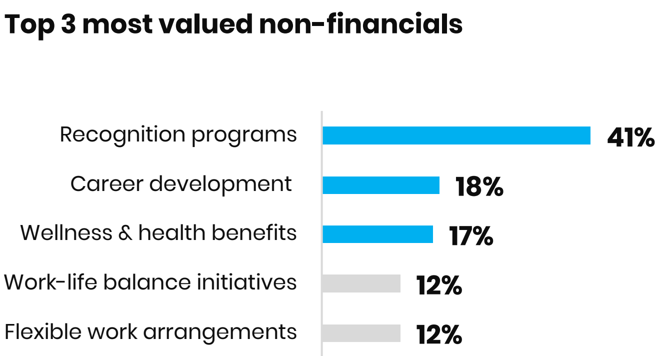
- The data reveals that 58% of employees in the education sector are dissatisfied with their salary. This indicates that a significant portion of the workforce feels undervalued in compensation. It is the sector where most of its employees express dissatisfaction with the enumeration in this survey.
- On the other hand, only 20% of employees report being satisfied with their salary, while a small percentage, 15%, express dissatisfaction.
- The high dissatisfaction with salary highlights the importance of reviewing and adjusting compensation packages to better align with employee expectations, industry standards, and, most importantly, the economic challenges.
- When considering the relationship between performance and salary, 37% of employees in the education sector perceive a significant correlation. This indicates that a considerable portion of the workforce believes their performance is directly linked to their compensation.
- Regarding salary transparency, 65% of employees perceive transparency in salary-related matters within the education sector. This suggests that most employees feel adequately informed about their compensation structure and related policies.

Q19 - How satisfied are you with your current compensation package (salary, bonuses, incentives)?
Q20 - Is the salary/pay structure in your organisation transparent to all?
Q22 - To what extent does your performance review affect decisions on your compensation?

Improved retirement plans break into the top 3 drivers for job change in the education sector







- Within the education sector, the primary driver for job change is a higher salary base, with 35% of employees citing it as a top factor. This firmly aligns with earlier results that indicate dissatisfaction with the salary package.
- Increased bonuses and incentives follow closely behind, with 29% of employees identifying them as critical drivers for job change. This correlates with earlier results that indicate No significant changes to rewards or reduction in bonuses and salaries despite economic challenges.
- Compared to other sectors, this industry is one of the few surveyed with Improved retirement plans as its top 3 drivers for job change. This is key for them.
- Most employees, 50%, perceive the inclusion of non-financial rewards reasonably within the education sector, indicating a moderate level of satisfaction with non-monetary recognition programs.
- However, a significant percentage of employees, 36%, feel that non-financial rewards are included poorly, suggesting areas for improvement in recognising and appreciating employee contributions beyond financial incentives
- Wellness and health benefits and career development opportunities are almost tied for second place, each valued by 17% and 18% of employees, respectively. This reflects the importance of supporting employee well-being and professional growth.

Q23 - What would make you think about leaving your current job for another one (Select top 3)
Q25 – How well does your organisation include non-financial rewards in its total compensation?
Q26 - What non-monetary aspects of compensation do you value the most? (Select the top 3)

Oil and Gas

Maximising the evident potential of the sector

The Oil & Gas industry changed direction the day the new administration was sworn in. Petrol subsidies have been a part of the Oil & Gas sector since the 1970s. Petrol was always sold below the global prices. This was explicitly legalised in the 1977 Price Control Act, which mandated that some products, petrol included, be sold at a regulated price. All that came to an end in May 2023. While it presented particular challenges, it also unveiled opportunities for market-driven reforms, particularly in the Oil & Gas sector.

The reforms didn't stop at removing fuel subsidies, at least for the oil and gas sector. For the first time in almost a decade, the federal government also deregulated the gasoline market to reduce the burden on government finances. Since 2016, the government has been in a crude-swap contract known as the direct sales-direct purchase contract. This contract was terminated in June 2023 by the Tinubu administration, which allowed marketers to import gasoline independently.

Nigeria is replete with onshore and offshore hydrocarbon deposits. It boasts approximately 37.0 billion barrels of proven oil reserves; it is the second-biggest African nation and the tenth-largest in the world. Nigeria averaged a daily production of 1.4 million barrels of oil in 2023. As of April 2024, the country's crude oil output stood at 1.573 million barrels per day. In March of 2024, Nigeria's production was 1.46 million barrels per day, a significant 7.52% growth in just one month, still maximising the evident potential in the sector remains a challenge.

Amidst this surge in production capacity is the corresponding growth in crude oil theft; numerous incidents were recorded in the Niger Delta region in the past year. Law enforcement discovered hundreds of illegal connections and refineries across various regional locations. The NNPCL reaffirmed its commitment to the fight against crude oil theft, emphasising that it will not rest until the menace is wholly eradicated.

Resolving the challenge of crude oil theft is particularly crucial, especially considering the significant growth observed in the country's oil and gas reserves in the frontier basin during the past year under the previous government's initiatives. The past administration successfully initiated exploration, drilling, and completion of the Kolmani Oil Field, OPL809, and OPL810 accordingly in the Northeastern region of Nigeria.

President Buhari made unprecedented strides in the final days of his administration. He inaugurated the first oil drilling in Ebenyi-A, an exploration well located in Middle Benue Trough Obi Local Government Area of Nasarawa state, the first-ever exploration site in the North-Central region of Nigeria. On the 23rd of May, he again flagged off the Wadi-B Drilling campaign in Jere Local Government Area of Borno State. These commitments were made to increase the country's reserve with the hopes of boosting the country's economy.

Looking beyond the production capacity and its challenges, the energy transition in Africa is gaining momentum, with Nigeria being a key player in this movement. On August 24, 2022, the Nigerian Federal Government introduced its Energy Transition Plan (ETP). This plan aims to address energy poverty and the climate change crisis simultaneously. Nigeria stands out prominently in these discussions, spearheading efforts to foster a sustainable energy transition to minimise its carbon footprint. Among the options being explored, gas utilisation emerges as a particularly effective strategy for Nigeria, serving as a gradual transition mechanism toward cleaner energy sources.

The achievements in production capacity and energy transition, however unprecedented, could not tame the impact of fuel subsidy removal after May of 2023. July 2023 immediately saw petrol prices reach 617 naira/litre, the highest in Nigeria's history. The increase in petrol prices consequentially led to significant increases in transportation costs. This, alongside the spontaneous decline of the naira, saw Nigeria approach Galloping inflation in 2023. Food inflation is one of the most significant contributors to Nigeria's total inflation numbers, with transportation costs impacting significantly.

Removing the fuel subsidy also meant opportunities for businesses in the Oil & Gas sector. This was evident as 56 private firms were licensed to import petrol, and 10 were due to start deliveries in the third quarter of 2023. The NNPC had previously been the sole importer of petrol using crude swap contracts.

The conundrum, in the form of a pivotal question to be answered, is why a country with vast reserves relies heavily on imports. This is where Dangote Refinery comes in. It is a significant outlook for 2024.

Dangote's refinery – the hammer for too many nails

One glaring crisis after the removal of fuel subsidies and FX was the nation's dependence on imports. Nigeria imports almost all its refined fuel due to inadequate refining capacity and neglect of existing refineries. The CBN had to audit its backlogs to combat the naira decline, raising the demand for FX. The backlogs represent liabilities held by CBN from various companies, including those related to fuel importation. CBN realised that fuel importation accounted for 7.5%, approximately 150 million USD, of the total backlog. The need to produce and refine fuel locally has never been more critical in Nigeria's history.

The Dangote refinery is a game changer; it was launched in May 2023 in Lagos state. It is the first in Africa and can refine 650,000 barrels of oil daily. It is set to transform the oil and gas sector. The refinery is also set to change the narrative of Nigeria's oil and gas sector. Most important are its economic benefits. It will be a pivotal contributor to the economy. It will reduce import dependencies, lessen pressure on FX, and increase Nigeria's export capacity. Nigeria, the largest importer of petrol in Africa from Europe, now has a private refinery catering to the country's consumption.

Despite various delays since the launch in May 2023, the refinery received its first shipment of crude oil in December 2023, while its first distribution was initiated in March 2024. In April 2024, the refinery announced a reduction in diesel price to 1,000 Naira per litre against the 1,500 Naira recent hike in April 2024. With hopes for a stable price for petroleum products, this shows that the refinery can determine a standard price for petroleum products in Nigeria, but is this the silver bullet the economy has been searching for? This is yet to be seen.

The Natural Gas alternative

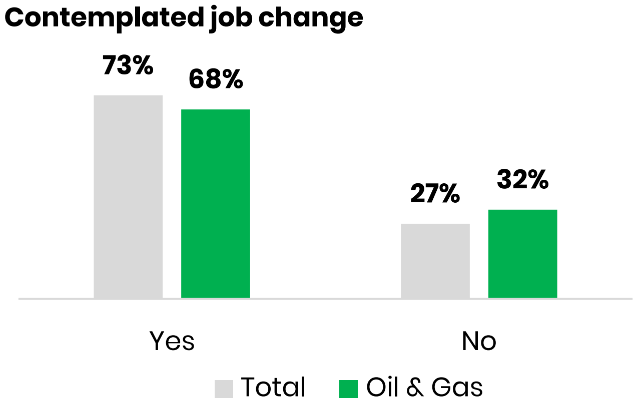
The present administration has looked toward untapped proven gas reserves in search of other economically viable opportunities. In August 2023, the Presidential Compressed Natural Gas initiative (Pi-CNG) was launched. The initiative aims to address the challenges posed by fuel subsidy removal in Nigeria by reducing energy costs for its citizens. According to Ajuri Ngelale, the Special Adviser to the President on Media and Publicity, this initiative is a significant step towards revolutionising the transportation sector in the country. The PCNGi plans to introduce more than 11,500 new vehicles that run on Compressed Natural Gas (CNG) and aims to provide 55,000 CNG conversion kits for existing cars that currently rely on Premium Motor Spirit (PMS), commonly known as petrol.

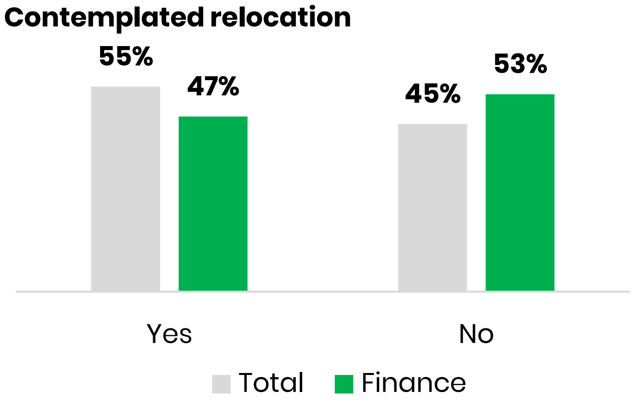
The Nigerian National Petroleum Corporation Limited (NNPCL) stated that Nigeria has 202 trillion cubic feet (tcf) of gas reserves. Efforts to utilise this untapped gas are underway. The past administration initiated the 614km-long Ajaokuta–Kaduna–Kano (AKK) and the 127km-long Obiafu-Obrikom-Oben (OB3) pipeline to reach a broader audience for domestic gas utilisation and power generation.

While the project is still underway, Bola Ahmed Tinubu's administration assured Nigerians in February 2024 that the OB3 pipeline would be completed soon, further strengthening Nigeria's gradual gas transition and utilisation.

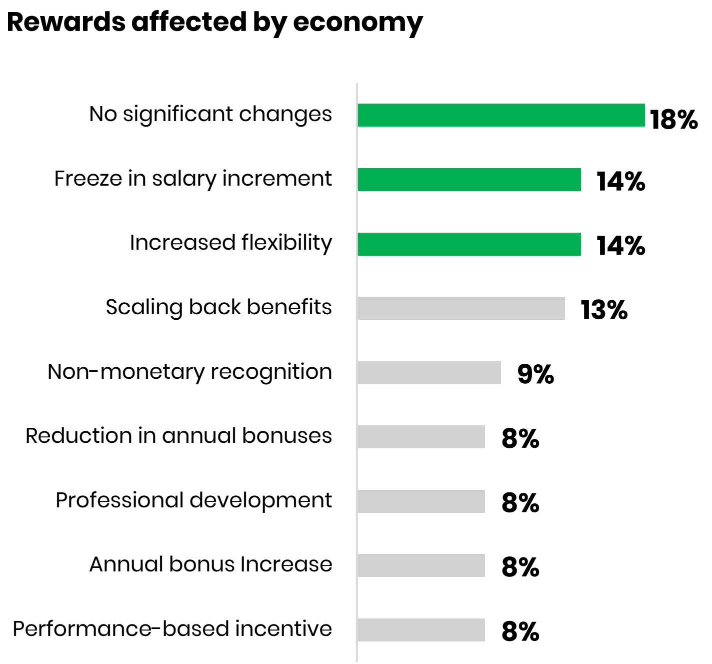
From a potential revenue standpoint, the Nigerian Gas Flare Tracker report states that gas worth $1.9 billion was flared in Nigeria between 2020 and 2024. This flaring activity amounted to 595.1 million standard cubic feet of gas across nine states, including Rivers, Delta, Imo, Edo, Akwa Ibom, Bayelsa, Anambra, Abia, and Lagos.

Oil and Gas professionals are relatively stable in their current positions





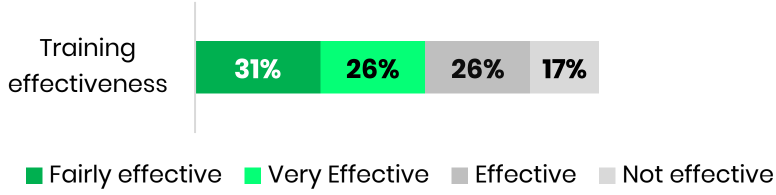
- In the Oil & Gas sector, 68% of employees have contemplated changing jobs. This percentage is slightly lower than the overall average of 73%, which signifies that job mobility within this sector is marginally lower than that of the general population.
- Additionally, 32% of employees have not contemplated changing jobs. Data suggests that many professionals in this sector are not looking to change jobs compared to the general population. Professionals are relatively stable in their current positions.
- When it comes to contemplating relocation, 47% of employees in the oil and gas sector have considered relocating. This indicates an unwillingness among professionals in the industry to leave the country in search of other opportunities.



- Like most sectors surveyed, Oil and Gas has seen no significant changes in rewards,18%, except for a freeze in salary increments. There has also been a cushion with an increased flexibility of 14% in work hours.
- Organisations within the sector are responding positively to economic challenges with a mix of strategies, including increasing flexibility in work arrangements while facing pressures such as scaling back benefits and freezing salary increments

Q8 - In the past six months, have you contemplated leaving your current job for another better-paying opportunity?
Q9 – In the past 12 months, have you contemplated leaving your current job to relocate abroad?
Q11 - In which of the following ways has the current state of the economy affected rewards given to you by your organisation? (Select top 3)

Many employees surveyed perceived training to be effective

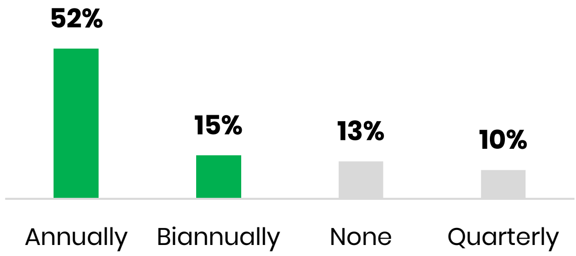


- In Oil & Gas, employees perceive training effectiveness differently, with 31% considering it somewhat effective, 26% very effective, 26% effective, and 17% ineffective. This suggests a mixed perception of the efficacy of training programs within the sector.
- Of the current training and development opportunities offered, performance feedback systems are highlighted as prevalent in the oil and gas sector, at 24%. This emphasis on feedback systems suggests a commitment to nurturing talent.
- Leadership development training (22%) and Opportunities for skill development (20%) are closely behind, indicating efforts to provide employees with the tools and flexibility needed to succeed.
- Performance and feedback ratings are among the best in all the surveyed sectors, only rivalled by the finance sector.
- The perception of training effectiveness suggests that oil and gas sector organisations must evaluate and enhance their training programs to meet employees' needs and expectations.

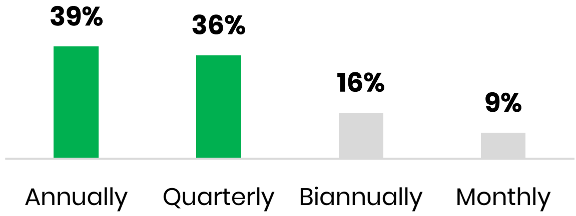
Q12 – How effective are the training and development opportunities provided by your organisation?
Q13 - Select the top 3 talent development activities carried out in your organisation

While most of the employees want to retain the traditional system, more employees are seeking change

Performance review frequency



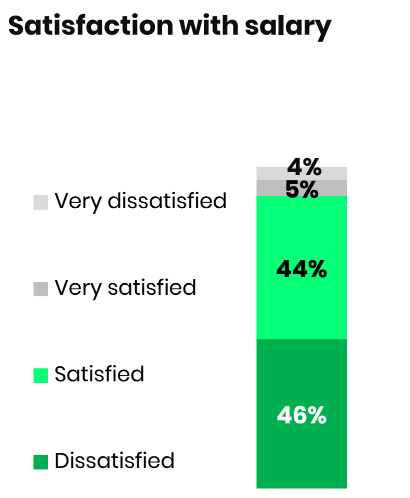
How often performance review should be done

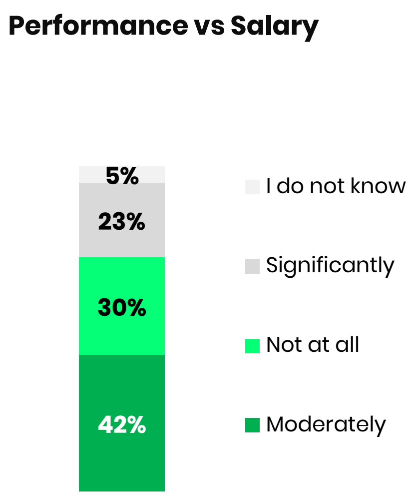


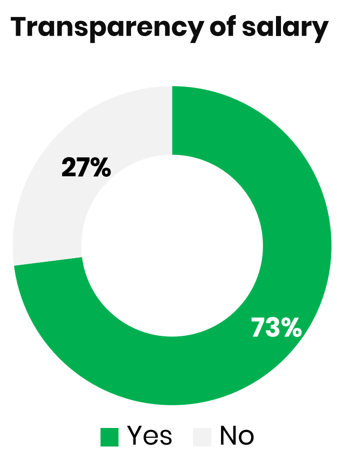
- Within the Oil & Gas sector, the most common performance review frequency is annually, with 52% of employees undergoing reviews on this schedule. This highlights the common practice of conducting performance evaluations once per year, potentially limiting opportunities for frequent feedback and development.
- Professionals in this sector want to change this, as when asked about their preferred performance review frequency, 39% of employees indicate a preference for annual reviews. However, 36% of employees prefer quarterly reviews, suggesting that a sizable portion of the workforce values more frequent feedback and assessment.
- The prevalence of annual performance reviews in the Oil and Gas sector suggests a heavy reliance on the **traditional** approach to performance management.
- It is worth noting that a significant percentage of employees, 12%, report not undergoing performance reviews. This highlights potential gaps in performance management practices within some organisations.

Q16 - How often is your performance reviewed?
Q17 – How often do you think performance reviews should be done?

Satisfaction and Transparency with Compensation





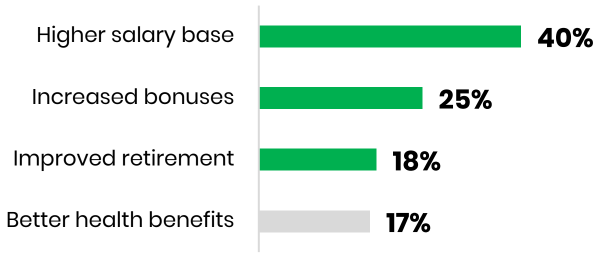


- In the Oil and Gas sector, 46% of employees express dissatisfaction with their salary, while 44% are satisfied. This indicates a relatively balanced distribution of satisfaction levels among employees.
- When evaluating the relationship between performance and salary, 42% of oil and gas sector employees perceive a moderate correlation. This suggests that a significant portion of the workforce believes their performance is moderately linked to their compensation
- Conversely, 30% of employees believe there is no correlation between performance and salary, which may reflect perceptions of fixed or predetermined salary structures within the sector.
- Most employees (73%) perceive transparency in salary-related matters within the oil and gas sector. This indicates that a significant portion of the workforce feels adequately informed about their compensation structure and related policies.
- Pay structure transparency ratings are among the best-performing industries surveyed, only behind the Public sector and tied with the finance sector.

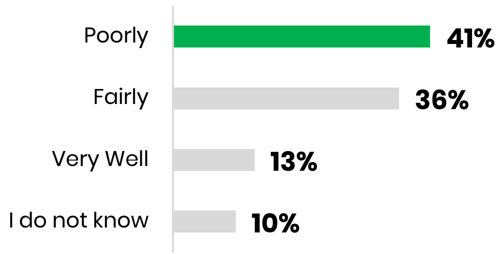
Q19 - How satisfied are you with your current compensation package (salary, bonuses, incentives)?
Q20 - Is the salary/pay structure in your organisation transparent to all?
Q22 - To what extent does your performance review affect decisions on your compensation?

More than 2 in 5 employees believe nonfinancial rewards are poorly included

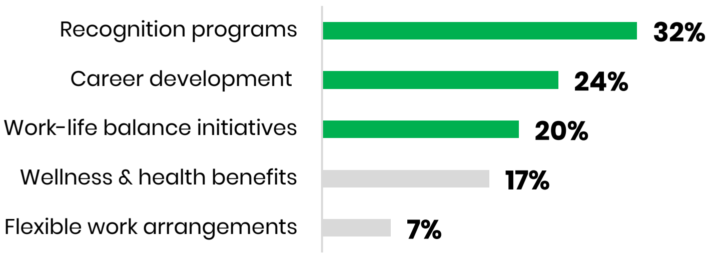
Top 3 drivers for job change



Inclusion of non-financial reward



Top 3 most valued non-financials



- Like in every sector surveyed, 40% of employees cite a higher salary base as the primary driver for job change within the oil and gas sector. This highlights the significant role that compensation influencing career decisions within the industry.
- Like the education sector, increased bonuses and Improved retirement plans are also important factors, with 25% and 18% of employees considering them a top driver for a job change. This highlights the importance of performance-based rewards and financial security in attracting and retaining talent within the industry.
- Most employees, 41%, perceive the inclusion of non-financial rewards poorly within the oil and gas sector. This indicates a need for organisations to review what non-financial reward means to their professionals.
- The poor non-financial reward rating, at 41%, is the second-worst performance among all the sectors surveyed, just behind the public sector.
- Recognition programs and Career development emerge as the most valued non-financial rewards within the oil and gas sector, with 32% and 24% of employees considering them a top priority, respectively.
- This underscores the importance of acknowledging and rewarding employee contributions to morale and engagement within the industry.

Q23 - What would make you think about leaving your current job for another one (Select top 3)
Q25 – How well does your organisation include non-financial rewards in its total compensation?
Q26 - What non-monetary aspects of compensation do you value the most? (Select the top 3)

Manufacturing

Driving Nigeria's Economic Diversification

The Nigerian manufacturing sector's growth rate had been sluggish, averaging a mere 2.5% in 2022, contributing a paltry 10% to the country's Gross Domestic Product (GDP). The COVID-19 pandemic significantly contributed to the sector's slow growth, leading to a decline in economic activities, disruptions in global supply chains, and decreased consumer demand. These factors resulted in a significant decline in manufacturing output, as many factories were forced to operate at reduced capacity or shut down entirely. Global economic uncertainties further contributed to the sector's slow growth, making it challenging for manufacturers to make long-term investment decisions.

Foreign investments in Nigeria's manufacturing industry experienced a significant surge in 2023, with a notable increase of $644 million to $1.5 billion, up from $948 million in the previous year. According to data from the National Bureau of Statistics (NBS), this growth positioned manufacturing as the leading investment sector, outpacing other industries.

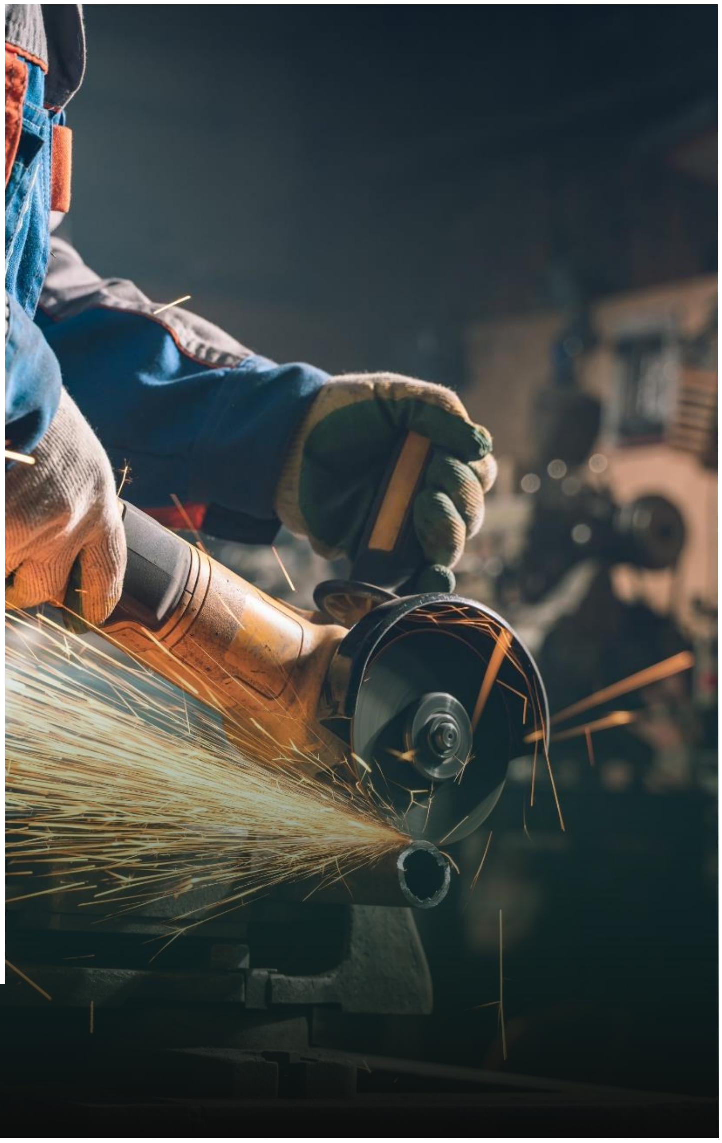
The NBS's capital importation report also revealed that manufacturing accounted for the largest share of investments, with the banking and finance sectors following closely behind in second and third place, respectively. This indicates a growing confidence in Nigeria's manufacturing industry among foreign investors, who increasingly recognise its potential for growth and returns on investment.

The $1.5 billion invested in manufacturing in 2023 represented a substantial 39% of the total capital importation for the year, which stood at $3.8 billion. This significant contribution highlights the importance of foreign investments in driving the growth and development of Nigeria's manufacturing industry. As the sector attracts investments, it will likely play an increasingly vital role in the country's economic diversification and development efforts.

This surge in the sector contributed relatively to the GDP in the second quarter of 2023, with a growth rate of 2.51% (year-on-year). The manufacturing sector also played a significant role in this growth, with the food, beverage, and tobacco sectors accounting for nearly 4.5% of the GDP.

The textile and cement sectors were the other main contributors to manufacturing, with shares of 1.5% and 0.8%, respectively. To enhance productivity and efficiency, the Nigerian manufacturing industry began to adopt cutting-edge technologies such as artificial intelligence, automation, robotics, and the Internet of Things (IoT).

Nigeria has set an ambitious target to increase its trade volume by $12 billion from 2023 to 2027 through implementing the AfCFTA. However, it was surprising that Nigeria was absent from the inaugural group of participating countries in the Guided Trade Initiative (GTI) of the Africa Continental Free Trade Area (AfCFTA) in July 2023. Despite the AfCFTA's promise to enhance intra-African trade, Nigeria's trade with other African countries has not yet returned to pre-COVID-19 levels.



This situation raised concerns about Nigeria's ability to capitalise on the opportunities presented by the AfCFTA. Additionally, the CBN's decision to devalue the currency by 49% and the ongoing scarcity of FOREX posed significant challenges to the growth of Nigeria's trade sector in 2023.

Navigating economic uncertainties.

Nigeria's political landscape underwent a significant transformation from 2023 to 2024, paving the way for faster-than-expected reforms and the new administration of renewed hope for the country's economic prospects. However, the optimism was short-lived, as inflation soared to a staggering 28.2% in the second half of the year, leaving monetary policy direction in limbo.

The International Monetary Fund (IMF) downgraded Nigeria's growth projection to 2.9% due to weaker oil and gas production concerns. This setback raised doubts about the country's ability to drive economic growth and development.

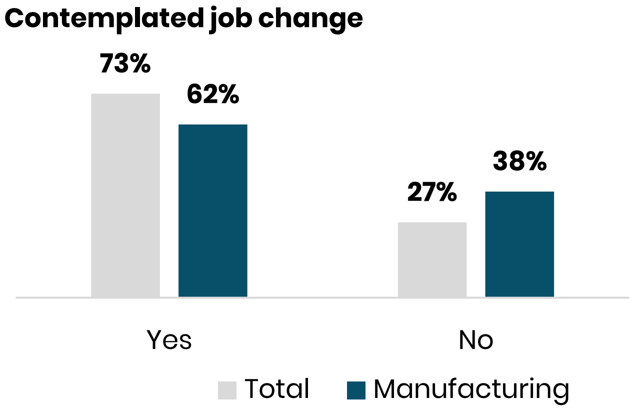
The Nigerian manufacturing sector was expected to experience significant growth in 2024, driven by the commencement of operations at the Dangote refinery, which was projected to add over 0.7% to Nigeria's GDP. Port Harcourt Refinery was also anticipated to come stream in the first quarter of 2024, further boosting the sector's growth prospects. However, the economy is still reeling from the effects of currency devaluation. The scarcity of forex forced manufacturers to look inward and explore local sources of raw materials, overcoming challenges to sustain and expand their operations.

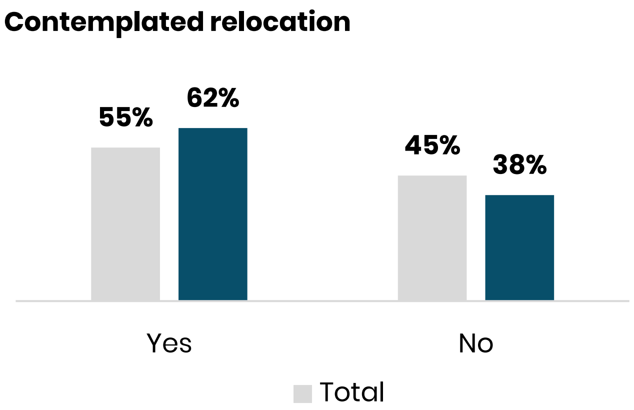
This challenge has had some positives, as it has forced the use of local raw materials, indicating the resilience and adaptability of Nigerian manufacturers. According to expert predictions, the sector is expected to achieve a real growth rate of around 3.2% in 2024, with its contribution to the economy potentially exceeding 10%.

More opportunities are underway as the Government of Nigeria, collaborating with the African Development Bank, International Finance Corporation, and UNITAID, is set to convene the 2024 Industry Engagement "Access to Health Innovation" Forum.

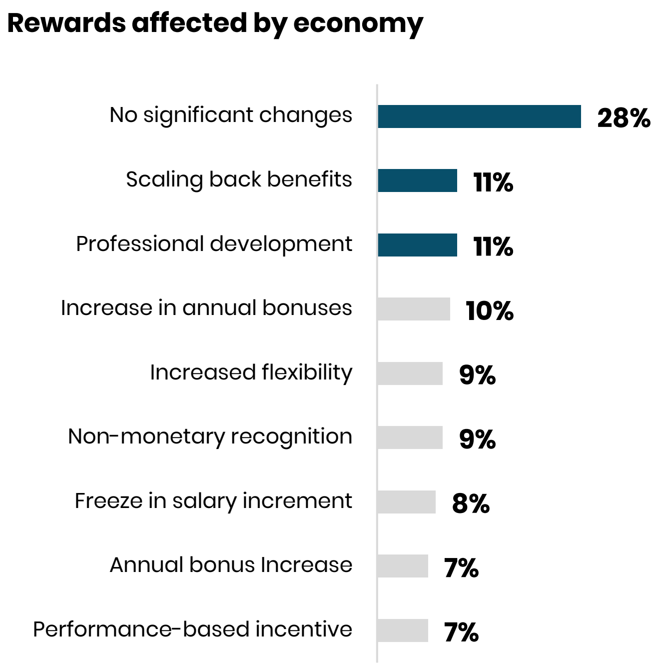
This significant event will occur from May 2024 in Lagos, Nigeria, and will bring together key stakeholders to address critical issues in the healthcare sector. The forum's emphasis on pharmaceutical products and regional value chains will directly benefit the manufacturing industry, which is crucial in producing medicines, medical equipment, and supplies. The forum's goal of promoting local production and self-sufficiency in the healthcare sector is also expected to lead to new opportunities for manufacturing companies and contribute to the industry's growth.

Despite macroeconomic challenges, professional development remains priority.





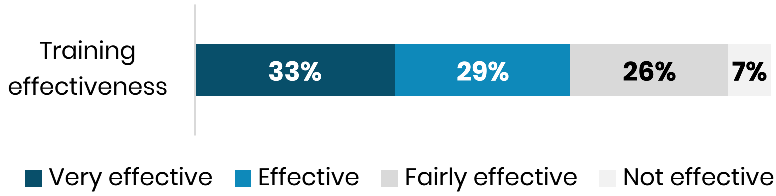
- 62% of employees are considering changing jobs, which is below the average of 73%. This suggests that fewer individuals in this group are actively considering leaving their current roles compared to the broader trend.
- Conversely, 38% of employees have not considered changing jobs, indicating stability in their current positions. This could stem from job satisfaction or a lack of enticing opportunities elsewhere.
- A significant 62% of employees express openness to relocating for work, showcasing a willingness to explore job opportunities in different locations.
- Economic and infrastructural challenges, including higher tariffs, taxes, poor infrastructure, and unreliable electricity, might have driven employees to consider relocation. They seek areas with stable economies and dependable infrastructure for better opportunities.



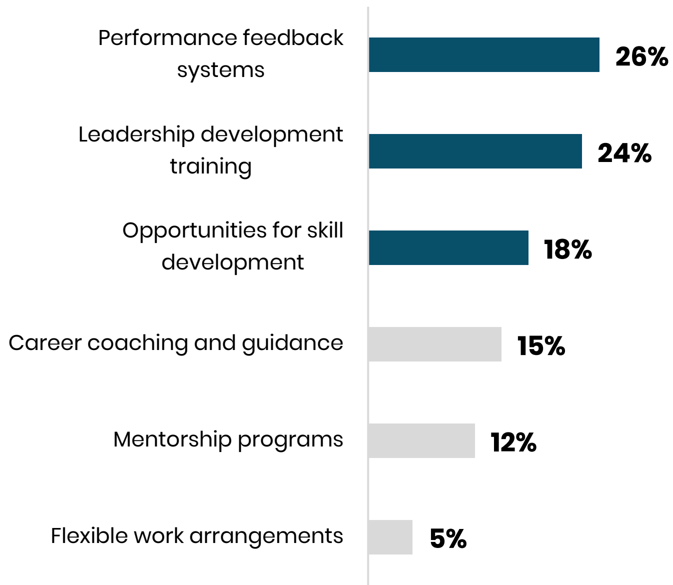
- Despite economic strains, 28% of respondents observed no significant changes in their rewards, indicating a consistent approach to compensation amidst financial challenges.
- As stated by 11% of the respondents, employers scale back employee benefits, suggesting a widespread tactic aimed at cost-saving measures amid economic pressures.
- Notably, 11% of employees report experiencing improved professional development opportunities, signalling a heightened commitment to nurturing employee skills and career advancement.
- While most sectors maintain professional development initiatives, the Manufacturing sector deviates, suggesting unique dynamics or strategies specific to that industry.

Q8 - In the past six months, have you contemplated leaving your current job for another better-paying opportunity?
Q9 – In the past 12 months, have you contemplated leaving your current job to relocate abroad?
Q11 - In which of the following ways has the current state of the economy affected rewards given to you by your organisation? (Select top 3)

There is a strong positive correlation between enhanced professional development and effective training effectiveness



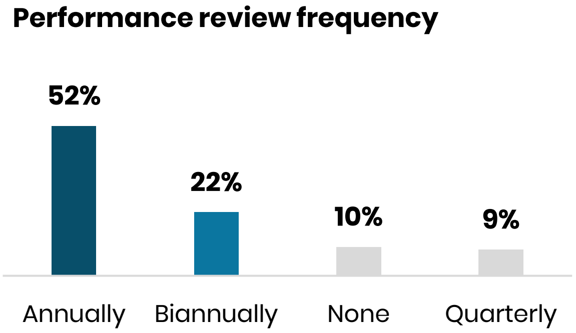
Current training and development

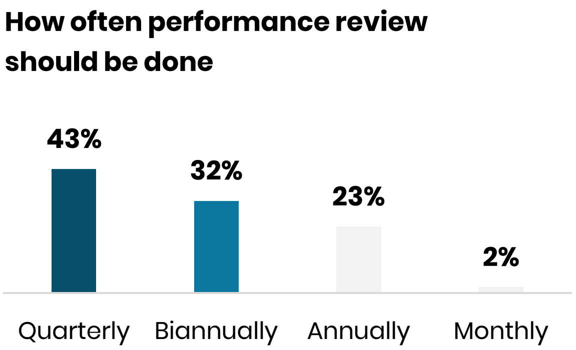


- Within the Manufacturing sector, a diverse perspective exists on the effectiveness of training programs. While 33% perceive them as highly effective, 29% find them compelling, 26% see them as reasonably practical, and 7% regard them as ineffective, indicating a range of opinions regarding their impact.
- Notably, performance feedback systems are prevalent within the manufacturing sector, with 26% acknowledging their presence. This emphasis on feedback implies a solid commitment to nurturing talent and fostering continuous improvement among employees.
- Additionally, leadership development training (24%) and opportunities for skill enhancement are closely trailing, suggesting a concerted effort to equip employees with the necessary tools and flexibility required for success in their roles.
- Performance and feedback ratings within the manufacturing sector are among the highest across all surveyed sectors, a status only matched by the finance sector. This suggests a robust feedback culture and effective performance evaluation mechanisms in place.
- The varying perceptions of training effectiveness underscore the importance for Manufacturing sector organisations to reassess and enhance their training programs to better cater to the diverse needs and expectations of their workforce.

Q13 – How effective are the training and development opportunities provided by your organisation?
Q18 - Select the top 3 talent development activities carried out in your organisation

The desire for frequent performance reviews is consistent even in the manufacturing sector



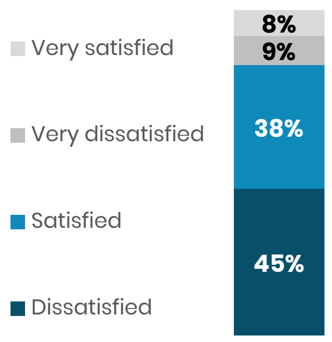


- Within the Manufacturing sector, the prevailing practice for performance reviews occurs annually, with 52% of employees evaluated on this timetable.
- Professionals in this sector desire a shift in performance review frequency. While only 23% prefer yearly assessments, 43% advocate for quarterly reviews, suggesting a keen interest in more frequent feedback and assessment cycles to support talent development and growth.
- The dominance of annual performance reviews in the Manufacturing sector may imply a reliance on traditional talent management practices, potentially overlooking the evolving desire for continuous feedback and development.
- Employee reports show that 10% are not undergoing performance review. This reveals potential deficiencies in talent management strategies within specific organisations, highlighting the need for more holistic approaches to performance evaluation and employee development.

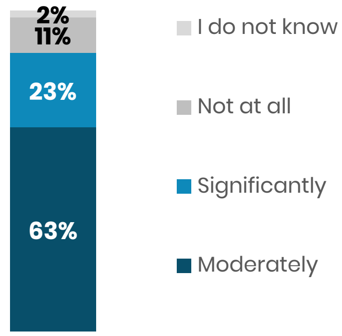
Q16 - How often is your performance reviewed?
Q17 – How often do you think performance reviews should be done?

Half of the employees surveyed believe there is lack of salary transparency in this industry.

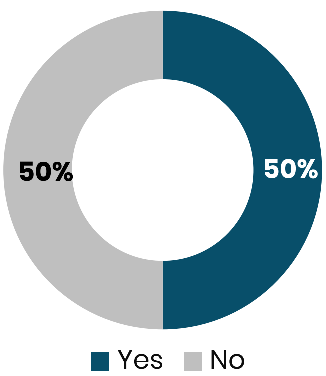
Satisfaction with salary



Performance vs Salary



Transparency of salary

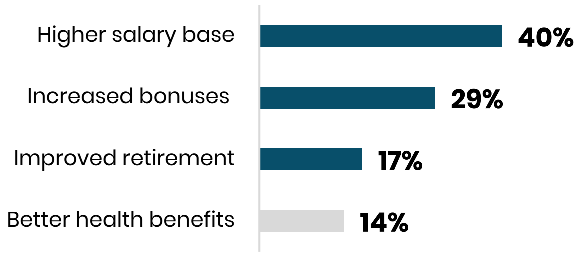


- In the Manufacturing sector, salary satisfaction is divided, with 54% expressing dissatisfaction and 46% satisfaction, showcasing low contentment levels of salary structure among employees.
- 63% of manufacturing sector workers perceive a moderate correlation between performance and salary, suggesting that many believe their performance moderately influences their compensation.
- Conversely, 11% of employees feel no correlation between performance and salary, possibly indicating perceptions of the prevailing fixed or predetermined pay structures in the sector.
- Half of the respondents (50%) perceive transparency in salary-related matters, indicating an ambivalence towards being adequately informed about their compensation structure and related policies.
- Notably, the Manufacturing sector ranks well in terms of pay structure transparency, only trailing behind the Public sector and on par with the finance sector in ratings among surveyed industries.

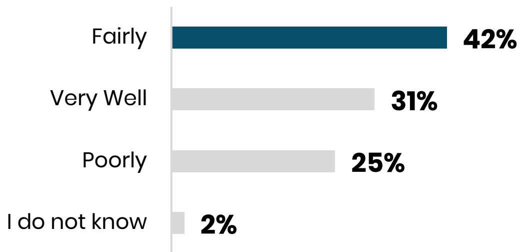
Q19 - How satisfied are you with your current compensation package (salary, bonuses, incentives)?
Q20 - Is the salary/pay structure in your organisation transparent to all?
Q22 - To what extent does your performance review affect decisions on your compensation?

There is satisfaction with the inclusion of nonfinancial rewards in this sector.

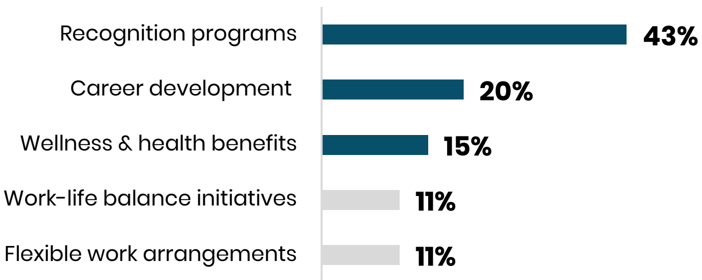
Top 3 drivers for job change



Inclusion of non-financial reward



Top 3 most valued non-financials



- In the Manufacturing sector, 40% of employees see a higher salary base as the primary reason for considering a job change, highlighting the crucial role of compensation in career decisions.
- Increased bonuses and improved retirement plans are also significant factors, with 29% and 17% of employees viewing them as top drivers for job change. This underscores the importance of performance-based rewards and financial stability in attracting and retaining talent within the industry.
- However, only 42% of employees perceive non-financial rewards as moderately included in the Manufacturing sector, indicating a need for organisations to reassess the value of such rewards to their workforce.
- Among non-financial rewards, recognition programs (43%) and career development opportunities (20%) emerge as the most valued by employees in the Manufacturing sector. This highlights the significance of acknowledging and rewarding employee contributions to enhance morale and engagement within the industry.

Q23 - What would make you think about leaving your current job for another one (Select top 3)
Q25 – How well does your organisation include non-financial rewards in its total compensation?
Q26 - What non-monetary aspects of compensation do you value the most? (Select the top 3)

Health

The health sector and the 'Japa' syndrome

The new government's swearing marked the beginning of considerable changes in the health sector. But before May of 2023, there were consistent talks about increasing the budget allocation for the health sector in Nigeria. In fact, for the first time in Nigeria's health funding history, over a trillion naira was allocated to the health sector in the proposed 2023 budget. This was a significant increase from the previous years, with the capital expenditure increasing by 94.83% from the 2022 budget and the recurrent health budget increasing by 25.54%.

Despite the significant increase in allocation, a torchlight had to be pointed to **how many more healthcare workers Nigeria could afford to lose.** Nigeria experienced a considerable loss of healthcare workers leading to 2023. The country faced a substantial brain drain in the healthcare sector, with many doctors and nurses emigrating to other countries for better opportunities. According to an article by theguardian.com, the National Association of Nigeria Nurses and Midwives reported that more than 75,000 nurses had left Nigeria since.

This mass exodus and the impact of removing fuel subsidies made the health sector one of Nigeria's most vulnerable industries. President Tinubu, in his statement, mentioned that removing subsidies was essential because funds would be redirected towards vital sectors, **with healthcare being a top priority.**

In the short term, the volatile macroeconomic shifts could not be ignored. The following two months saw the costs of drugs, laboratory reagents, and other hospital consumables increase by approximately 25% in price. A substantial contributor to the further inflated prices of medicines was the departure of multinational pharmaceutical companies. GlaxoSmithKline (GSK) informed the public it was halting operations in August of 2023, and Sanofi, on the 8th of November, subtly announced its exit from its Nigerian operations. **We had to look inward.**

Before the exits, we already started looking inwards. Nigeria's efforts to increase health-related funding were evident. In 2023, Nigeria's healthcare sector saw the implementation of the Basic Health Care Provision Fund scheme (BHCPF). The purpose of the BHCPF was to fund a Basic Minimum Package of Health Services (BMPHS), which aimed to strengthen the national health system, especially at the primary healthcare level 3, supporting the local governments for each state.

Implementing the BHCPF included the National Health Insurance Scheme (NHIS). This aimed at ensuring the most vulnerable Nigerians through State Social Health Insurance Agencies'3.

In 2023, Nigerian health startups also reacted positively to the nuances of several post-pandemic behaviours. Telehealth adoption became prevalent with simultaneous smartphone penetration and internet connectivity growth. An increase in health startups led to solutions emphasising virtual consultations, remote monitoring, and digital prescriptions. This alleviated the strain on crowded healthcare facilities and offered vital support to those previously struggling to access medical care.

In recent years, Nigeria has also seen a growth in online information on preventive health and wellness and mental health advocacy. The increase in telehealth services has translated to significant investment in the health tech sector.

The critical question remains: **How do these short-term fixes close the gap in the healthcare sector? Macroeconomic swings and Inflation approaching 29% at the end of 2023 made the healthcare sector** even more vulnerable than ever.

We entered 2024 with discussions around budget allocation and the loss of healthcare workers.

The country faced a substantial brain drain in the healthcare sector, with many doctors and nurses emigrating to other countries for better opportunities. According to an article by theguardian.com, the National Association of Nigeria Nurses and Midwives reported that more than 75,000 nurses had left Nigeria since.

Promise unkept. Healthcare is still not prioritised

We started 2024 on a low in the healthcare sector. The Nigerian Medical Association (NMA) raised concerns about the brain drain. The Chairman of the NMA, Ogun State Branch, Dr Azim Ashimi, stated that The migration of health workers has worsened healthcare indicators and resulted in a significant loss of lives. He questioned the attitude of both the Federal and state governments.

He also stated that nothing was done to address this issue and that the immigration of healthcare workers grew significantly every day.

The Federal Government's attitude towards the healthcare sector seemed like a case of broken promises. This sector faced severe challenges with budgetary allocation, receiving 1.3NGN trillion naira, which is 4.83% of the national budget. This is a 0.92% decline from 2022's budget share, despite the 15% commitment made by African leaders under the Abuja Declaration. This was not sufficient to improve the sector.

“

We are heading for the rocks in the health sector, as projections are not looking good. By the end of 2025, Nigeria will likely lose more than 50% of its skilled healthcare workforce, and it will be foolhardy to think that we will have younger and less skilled professionals to hold forth.”

-Dr Azim Ashimi.

Tackling the brain drain became a priority for the Federal Government, and urgent strategic measures were implemented to retain our skilled healthcare workforce while attracting new talents.

The National Primary Healthcare Development Agency (NPHCDA), in April of 2024, launched a capacity training program for health workers specifically to address the brain drain caused by migration. This five-day training involved 100 frontline healthcare workers in Cross River State. The Health Minister, Prof. Mohammad Pate, aims to enhance health workers' capacity, targeting at least 120,000 workers in public institutions nationwide.

President Tinubu's administration has also prioritised the implementation of the Nigeria Health Sector Renewal Initiative (NHSRII), a program designed to address the health outcomes of Nigeria's poor population. It is focused on strengthening healthcare access, governance, research et al.

This administration recognises the importance of prioritising public health. On April 16, the Nigeria Centre for Disease Control (NCDC) held an emergency meeting with commissioners for health in Sokoto and Kaduna over an unknown illness in Sokoto and Zamfara states.

In that meeting, it was established that there had been a total of 196 reported suspected cases of the unidentified illness, resulting in seven (7) fatalities across key LGAs. The illness was reported to predominantly affect children between the ages of four and 13, with symptoms including abdominal distension, fever, vomiting, and weight loss being listed. Health workers have been urged to come to the forefront of this battle.

What does talent management mean in a severely underfunded sector losing its best hands faster than ever?

In a sector where one individual cannot tackle the root cause of the problem, how then can talent management strategies be adapted to address the challenge of retaining and satisfying the best professionals? What are the best professionals looking for?

The survey results answer some of the burning questions you might have.

1tribuneonlineng.com
2healthigest.ng
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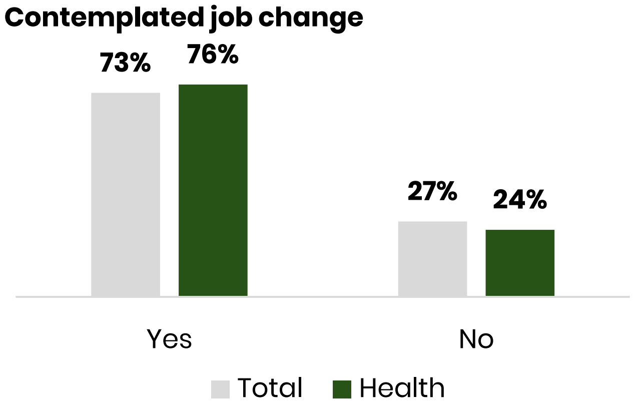
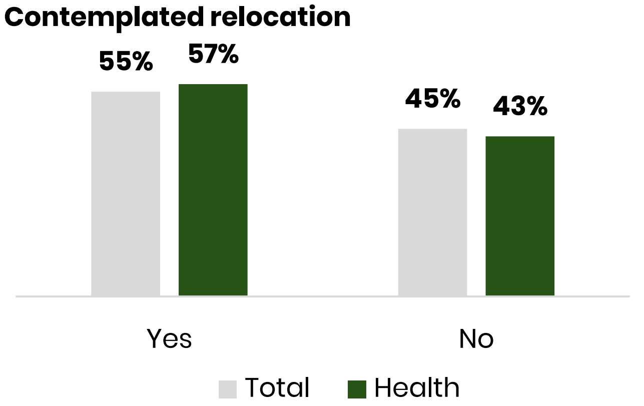
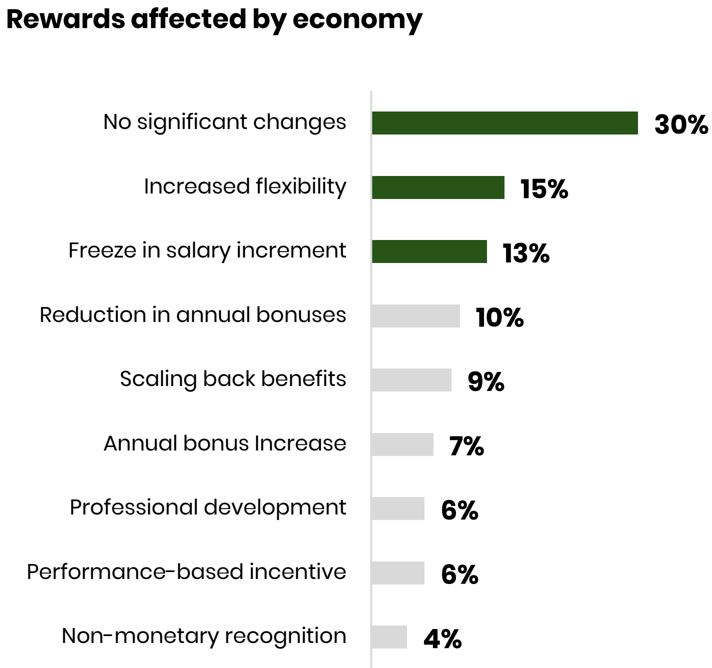
Health workers will keep trying to relocate.





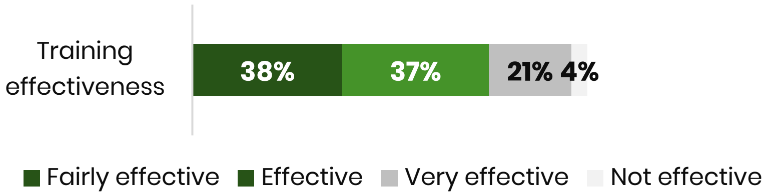
- In the health sector, 76% of employees have contemplated changing jobs, slightly exceeding the overall average of 73%, indicating a significant number of job mobility within the industry compared to the general population.
- This signals difficulties in recruiting and retaining skilled healthcare professionals, which can lead to increased recruitment costs and potential disruptions in service delivery.
- Conversely, 24% of health sector employees have not considered changing jobs, suggesting a higher level of stability in their current positions compared to the general population.
- Regarding relocation, 57% of health sector employees have considered it, indicating a modest willingness among professionals to explore opportunities outside the country. This suggests a degree of openness to international opportunities among industry professionals.



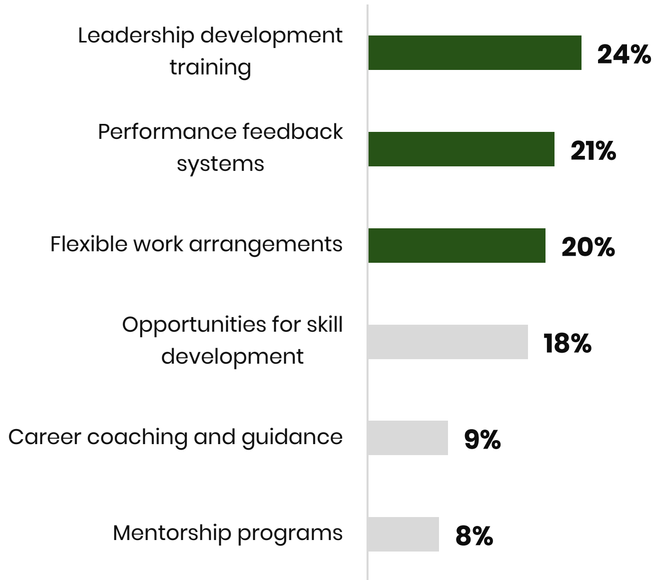
- Like in most sectors surveyed, 30% of employees in the health sector have experienced no significant changes in rewards given to them by their organisations.
- Given the complexity of the profession, 15% of organisations within the health sector have showcased proactive adaptability by introducing increased flexibility in work hours. This move might reflect a strategic approach aimed at addressing economic challenges and catering to the evolving needs of employees.
- Additionally, 13% of respondents revealed that their organisations have implemented a freeze on salary increments, while 10% have initiated further reductions in annual bonuses provided by the organisation. This discontent may prompt employees to seek opportunities elsewhere, increasing turnover rates.

Q8 - In the past six months, have you contemplated leaving your current job for another better-paying opportunity?
Q9 – In the past 12 months, have you contemplated leaving your current job to relocate abroad?
Q11 - In which of the following ways has the current state of the economy affected rewards given to you by your organisation? (Select top 3)

Employees in this sector are getting the tools they need to succeed



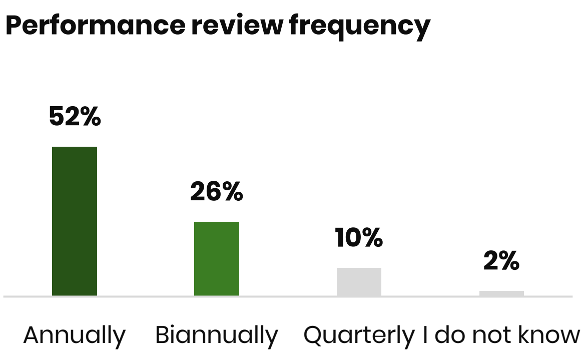
Current training and development

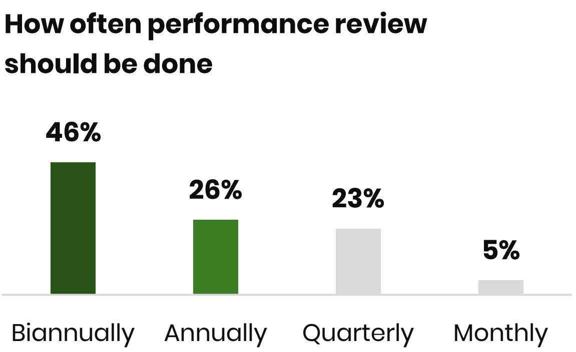


- In the Health sector, employees have varying perceptions of training effectiveness. While 38% find it reasonably practical, 58% consider it at least adequate and effective. This diversity in views highlights differing perspectives on the impact of training initiatives.
- Leadership development training emerges as prominent within the health sector, with 24% of employees emphasising its significance. This focus reflects a dedication to nurturing talent and cultivating leadership skills, potentially contributing to employee retention and talent development efforts.
- Furthermore, the prevalence of performance feedback systems (21%) and flexible work arrangements underscore efforts to equip employees with essential tools and flexibility, potentially enhancing job satisfaction and reducing turnover.
- Notably, performance and feedback ratings within the health sector rank among the highest across all surveyed sectors, paralleled only by the finance sector. This suggests a robust feedback culture and effective performance evaluation practices, which can positively impact employee engagement and talent retention.
- However, the varied perception of training effectiveness suggests a need for health sector organisations to reassess and improve their training programs.

Q13 – How effective are the training and development opportunities provided by your organisation?
Q18 - Select the top 3 talent development activities carried out in your organisation

Health workers indicate desire to transition from the traditional review system

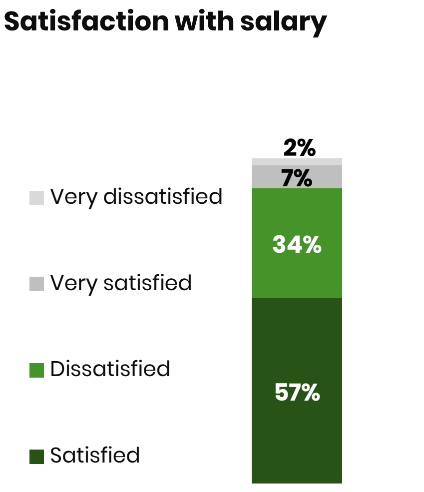


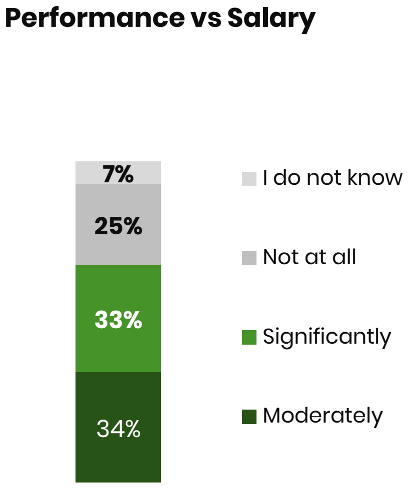


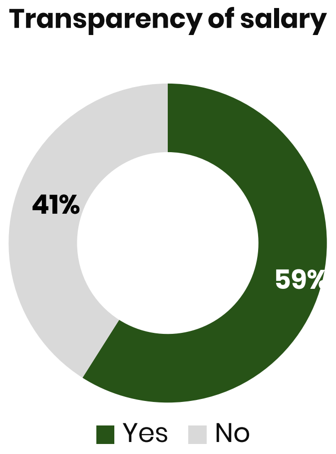
- In the health sector, the most common performance review frequency is annually, with 52% of employees undergoing reviews on this schedule. This practice suggests a tendency toward conducting performance evaluations once per year, potentially limiting opportunities for frequent feedback and development.
- Sector professionals desire to change the frequency of performance reviews. While 26% prefer annual reviews, 46% advocate for biannual reviews, indicating a preference for more frequent feedback and assessment.
- The prevalence of annual performance reviews highlights a reliance on traditional approaches to performance management within the health sector, potentially overlooking the benefits of more frequent evaluations in fostering employee growth and productivity.
- Notably, only 2% of employees report not undergoing performance reviews. This indicates potential gaps in performance management practices within specific organisations, emphasising the need for comprehensive and regular feedback mechanisms to support employee development.

Q16 - How often is your performance reviewed?
Q17 – How often do you think performance reviews should be done?

There is a strong correlation between transparency, satisfaction, and performance in the health sector.





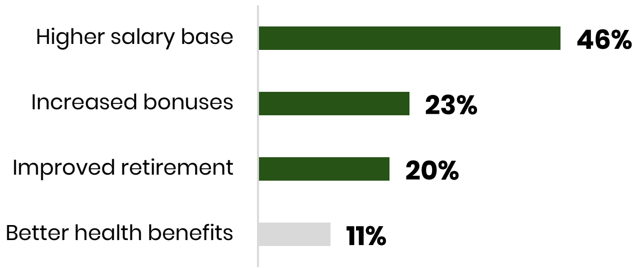


- In the health sector, 57% of employees express satisfaction with their salary, while 34% are dissatisfied. This indicates a significant gap in satisfaction levels among employees.
- When evaluating the relationship between performance and salary, 67% of health sector employees perceive at least a moderate correlation. This suggests that a significant portion of the workforce believes their performance is either moderately or significantly linked to their compensation.
- On the other hand, 25% of employees believe there is no correlation between performance and salary, which may reflect perceptions of fixed or predetermined salary structures within the sector.
- Most employees (59%) perceive transparency in salary-related matters within the health sector. This indicates that a significant portion of the workforce feels adequately informed about their compensation structure and related policies.
- Pay structure transparency ratings are among the best-performing industries surveyed, only behind the Public sector and tied with the finance sector.

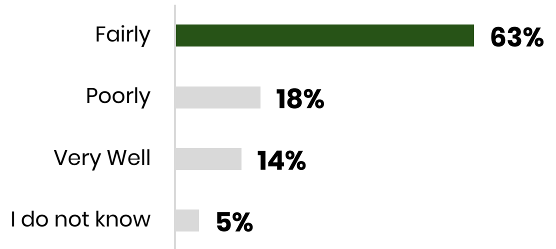
Q19 - How satisfied are you with your current compensation package (salary, bonuses, incentives)?
Q20 - Is the salary/pay structure in your organisation transparent to all?
Q22 - To what extent does your performance review affect decisions on your compensation?

Most employees in this sector perceive non-financial rewards to be fairly included

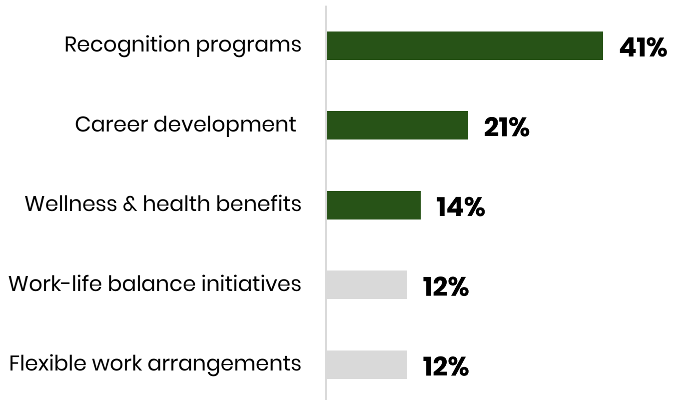
Top 3 drivers for job change



Inclusion of non-financial reward



Top 3 most valued non-financials



- Like in every sector surveyed, 46% of employees cite a higher salary base as the primary driver for job change within the health sector. This highlights the significant role that compensation plays in influencing career decisions within the industry.
- Like the manufacturing sector, increased bonuses and Improved retirement plans are also important factors, with 23% and 20% of employees considering them a top driver for job change. This highlights the importance of performance-based rewards and financial security in attracting and retaining talent within the industry.
- Most employees, 63% perceive the inclusion of non-financial rewards reasonably within the health sector. This indicates a need for organisations to review what non-financial reward means to their professionals.
- The poor non-financial reward rating, at 18%, is the second-worst performance among all the sectors surveyed, just behind the public sector.
- Recognition programs and career development emerge as the most valued non-financial rewards within the health sector, with 41% and 21% of employees considering them a top priority, respectively.
- This underscores the importance of acknowledging and rewarding employee contributions to morale and engagement within the industry.

Q23 - What would make you think about leaving your current job for another one (Select top 3)
Q25 – How well does your organisation include non-financial rewards in its total compensation?
Q26 - What non-monetary aspects of compensation do you value the most? (Select the top 3)

Public Sector

Same sector, same challenges...

Over the years, the public sector has played a vital role in the functioning of Nigeria's economy, providing essential services, regulating economic activity, and addressing social and environmental challenges. In Nigeria, the public sector is a significant driver of economic growth and development, with a large workforce and a presence in various sectors, including education, healthcare, infrastructure, security, and other sectors.

The results of the 2023 election shook the public sector, resulting in significant changes in policies, leadership, funding, and priorities, which have had far-reaching effects on the individuals who make up the public sector.

Although the Federal and State Governments saw a significant 17% (NGN3.42 trillion to NGN 3.9 trillion) and 30% (NGN2.7 trillion to NGN3.6 trillion) surge in its allocation, this has yet to significantly improve the service sectors. The effect of subsidy removal and inflation has exacerbated the neglect felt by the people who make up these public institutions. **It is the same sector with the same challenges, asking the question**: ***How important is adjusting the minimum wage?***

In the past year, the Nigeria Labour Congress (NLC), The Academic Staff Union of Universities (ASUU), and The Nigerian Medical Association have all emphasised the debilitating impact of long-term public sector neglect.

With the removal of subsidies and the resultant inflation, it was time to arrive at a long-standing discussion: The review of the minimum wage. The NLC met in December 2023 to discuss the new minimum wage and to arrive at a living wage commensurate with the prevailing high inflation. On January 30, 2024, Vice President Kashim Shettima, representing President Bola Tinubu, launched a 37-member committee to determine a new minimum wage at the State House Council Chambers in Abuja. Comprising representatives from federal and state governments, the private sector, and organised labour, the panel aims to recommend a new national minimum wage by April 1, as the current N30,000 minimum wage is set to expire under the law. During the inauguration, Vice President Shettima emphasised the need for a swift resolution, urging the committee to submit their report promptly, as the current minimum wage will expire by the end of March 2024.

Between March and April 2024, the minimum wage debate in Nigeria intensified, with labour unions and lawmakers pushing for a significant increase. The Nigeria Labour Congress (NLC) demands N794,000.

At the same time, the Trade Union Congress of Nigeria (TUC) advocates for N447,000, citing the need to alleviate the economic hardship that has left many workers in poverty.

The House of Representatives has backed the labour unions' demand, proposing a minimum wage of N100,000, a substantial increase from the current N30,000, which has been in place since 2019. Labour leaders argue that a higher minimum wage is crucial to address the growing poverty gap and erosion of living standards among Nigerian workers.

"

State governors can pay the proposed NGN615,000 minimum wage if their priorities are right.

-Joe Ajaero, NLC Chairman.

On the welfare of the public servants, the Academic Staff Union of Universities (ASUU) did not go on strike in 2023 and 2024, marking the third year in eight years that Nigerian public universities had an academic year without an ASUU strike. Still, the same questions about neglect and meeting halfway continue to arise.

ASUU demands that the Union be removed from the Integrated Payroll and Personnel Information System (IPPIS).

The goal of the IPPIS was to modernise personnel record-keeping and simplify monthly payroll management. Since its introduction in 2007, IPPIS has reportedly yielded significant cost savings for the government by eliminating numerous fictitious employees from the payroll. Furthermore, IPPIS ensures accurate deductions and remittances to third parties from federal employees' salaries, promoting transparency and efficiency in the payment process.

ASUU rejected the IPPIS due to concerns that it undermines university autonomy, fails to accommodate the unique needs of university lecturers, and doesn't account for various benefits and allowances such as promotion arrears, study leave allowance, and responsibility allowance. Additionally, ASUU worries that IPPIS doesn't recognise the particular retirement age of professors, leading to fears of job insecurity and erosion of academic freedom.

December 2023, The Federal Executive Council (FEC), presided over by President Bola Tinubu, made a significant decision to delist the ASUU from IPPIS. This move reverses the previous administration's stance, led by former President Muhammadu Buhari, which had mandated ASUU's participation in IPPIS, resulting in a prolonged strike by the lecturers who vehemently opposed it. According to Bayo Onanuga, Special Adviser to the President on Information and Strategy, the government is also considering extending this exemption to the armed forces, pending the outcome of an integrity test on the IPPIS platform.

Enhancing Trust and Accountability in government

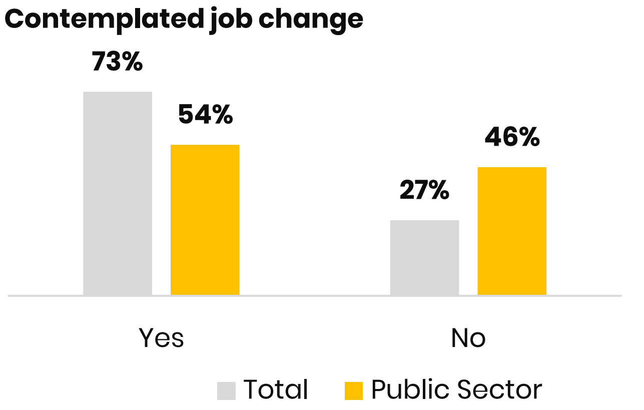
In the spirit of building trust within the government and its institutions, this administration, In April 2024, the Federal Government of Nigeria launched an upgraded Citizen Delivery Tracker App, empowering citizens to hold their government accountable like never before! This innovative application, developed by the Central Delivery Coordination Unit (CDCU), provides real-time access to priority projects, policies, and programs, putting the power of information in the hands of the people. The purpose of the app is to track the deliverables of all Ministers, ensuring transparency and accountability. Also, to access information on priority projects, policies, and programs. This will help citizens to participate in governance and hold the government accountable.

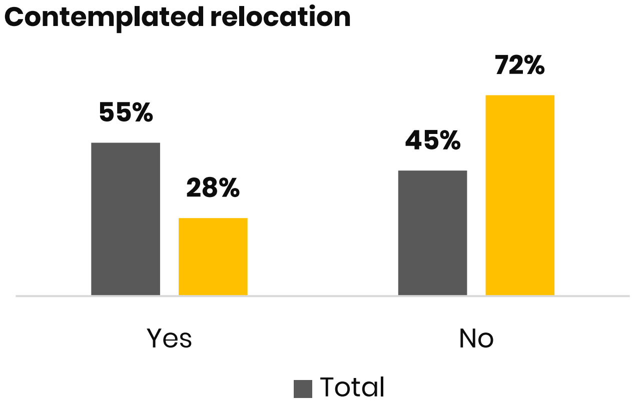
This pioneering initiative aligns with President Bola Ahmed Tinubu's commitment to transparency and accountability, demonstrating the government's dedication to involving citizens in decision-making. The launch of this app marks a significant milestone in Nigeria's digital transformation journey, showcasing the government's willingness to leverage technology for good governance.

What, then, does talent management strategy mean in a sector where trust is a concern and government decisions significantly impact the lives of its personnel?

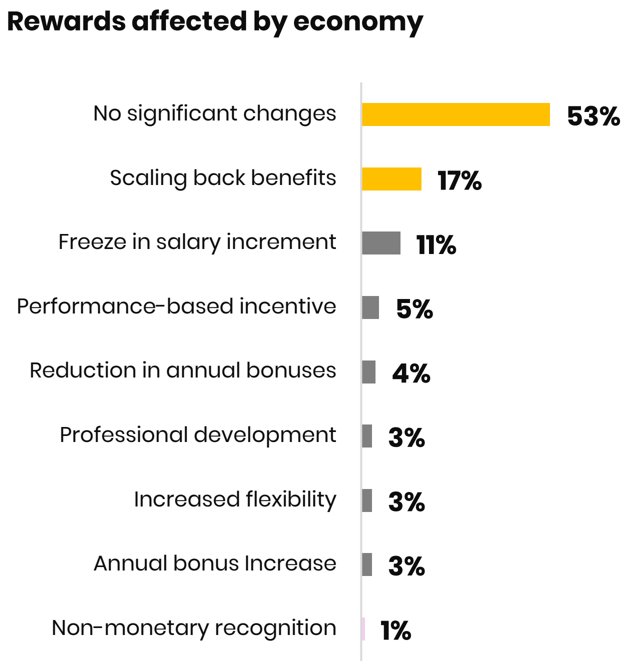
The survey results answer some of the burning questions you might have.

Employees are feeling the brunt of the macroeconomic challenges.





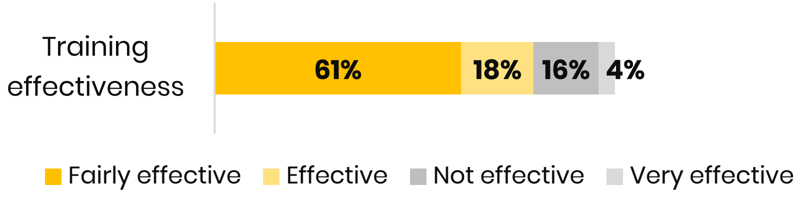
- Public sector employees (54%) are less likely to contemplate leaving their jobs for better-paying opportunities in the past six months than the average.
- In contrast to the overall average of 27%, only 46% of public sector employees have not considered leaving their jobs for better-paying opportunities in the past six months, indicating a higher likelihood of turnover due to compensation concerns.
- A smaller proportion (28%) of public sector workers have considered relocating abroad in the past year, though still notable compared to the overall average of 55%.
- Additionally, a more significant proportion (72%) of public sector workers have not considered relocating abroad in the past year, suggesting a potential challenge in retaining talent domestically.

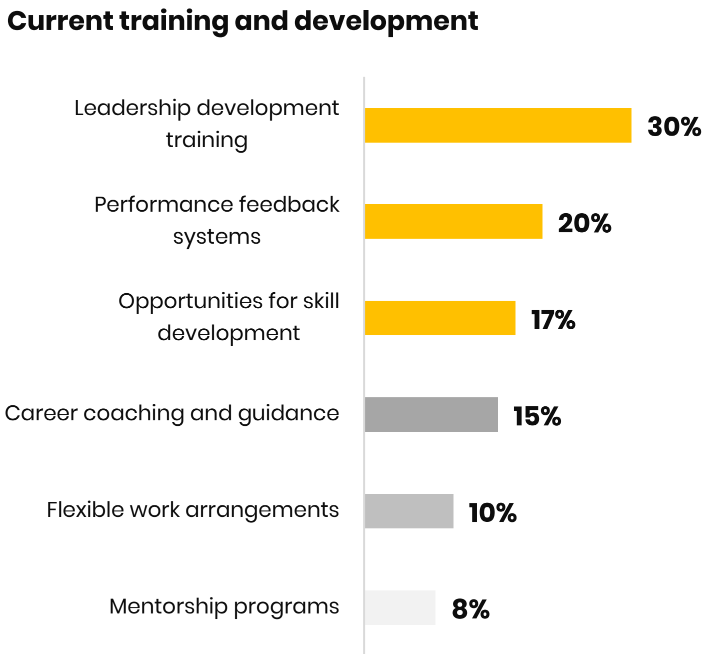


- The majority (53%) of respondents in the public sector reported experiencing "No significant changes in reward given to them," indicating a stable reward structure despite economic fluctuations.
- Among the top three responses, 17% mentioned "Scaling back on employee benefits." This implies reducing non-monetary rewards such as health benefits, retirement plans, or other perks, which could affect employee satisfaction and retention.
- Furthermore, 11% of respondents noted a "Freeze in salary increment," indicating a halt in salary raises or promotions. This freeze could impact employee morale and motivation, potentially leading to increased turnover and decreased productivity within the public sector workforce.

Q8 - In the past six months, have you contemplated leaving your current job for another better-paying opportunity?
Q9 – In the past 12 months, have you contemplated leaving your current job to relocate abroad?
Q11 - In which of the following ways has the current state of the economy affected rewards given to you by your organisation? (Select top 3)

Training and Development

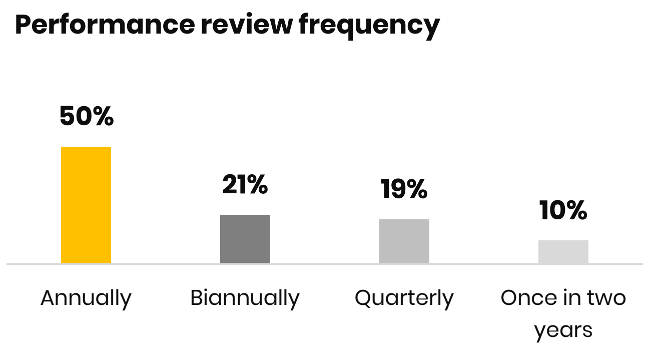


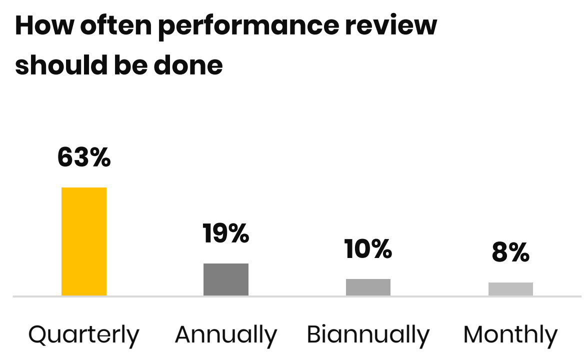


- A majority (61%) of respondents find the training and development opportunities provided by their organisation to be "Fairly effective," indicating a generally positive perception of the effectiveness of these programs.
- Additionally, 18% of respondents perceive the training and development opportunities as "Effective," while 16% find them "not effective," suggesting room for improvement.
- A smaller proportion (4%) of respondents consider their organisation's training and development opportunities to be "Very effective," indicating that some highly successful programs are in place.
- Among the top three talent development activities selected by respondents, "Leadership development training" was the most commonly mentioned, with 30% of respondents indicating its importance. This suggests recognising the value of developing leadership skills within the organisation.
- Following leadership development, "Performance feedback systems" were cited by 20% of respondents, highlighting the significance of regular feedback and evaluation in talent development processes.
- Additionally, "Opportunity for skill development" was mentioned by 17% of respondents, indicating a focus on enhancing employees' capabilities and competencies through training and learning initiatives.

Q13 – How effective are the training and development opportunities provided by your organisation?
Q18 - Select the top 3 talent development activities carried out in your organisation

Employees here want to draw a straight line between Performance and compensation with frequent performance review systems.



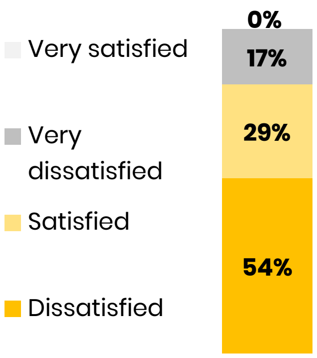


- Within the public sector, the most common performance review frequency is annually, with 50% of employees undergoing reviews on this schedule. This highlights a common practice of conducting performance evaluations once per year, potentially limiting opportunities for frequent feedback and development.
- Professionals in this sector want to change this, as when asked about their preferred performance review frequency, 19% of employees indicate a preference for annual reviews. However, 63% of employees prefer quarterly reviews, indicating that a sizable portion of the workforce values more frequent feedback and assessment.
- The prevalence of annual performance reviews in the public sector suggests a heavy reliance on the **traditional** approach to performance management.

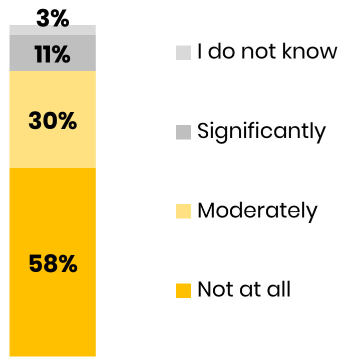
Q16 - How often is your performance reviewed?
Q17 – How often do you think performance reviews should be done?

The layered nature of roles in the public sector makes salary transparency nonexistent

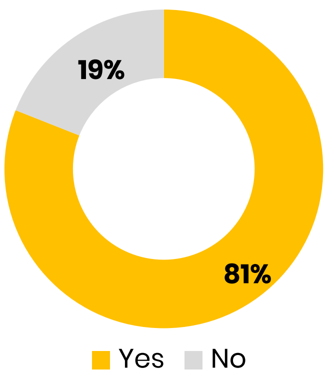
Satisfaction with salary



Performance vs Salary



Transparency of salary

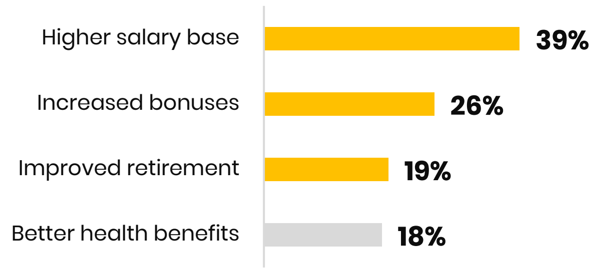


- In the public sector, 54% of employees express dissatisfaction with their salary, while 29% are satisfied. This indicates a significant gap in satisfaction levels among employees.
- When evaluating the relationship between performance and salary, 58% of public sector employees perceive a zero correlation. This suggests that a significant portion of the workforce believes their performance is unrelated to their compensation.
- On the other hand, 41% of employees believe there is at least a moderate correlation between performance and salary, which may reflect perceptions of varied salary structures within the sector.
- Most employees (81%) perceive transparency in salary-related matters within the public sector. This can be attributed to the clear-cut compensation structure commonly found in the public sector
- Pay structure transparency ratings are among the best-performing industries surveyed, only behind the Public sector and tied with the finance sector.

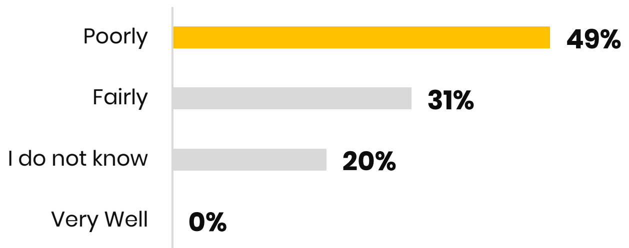
Q19 - How satisfied are you with your current compensation package (salary, bonuses, incentives)?
Q20 - Is the salary/pay structure in your organisation transparent to all?
Q22 - To what extent does your performance review affect decisions on your compensation?

Approximately half of the employees surveyed perceive non-financial rewards to be poorly included

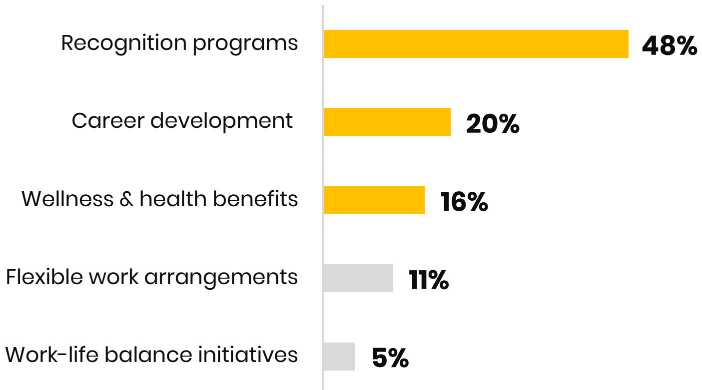
Top 3 drivers for job change



Inclusion of non-financial reward



Top 3 most valued non-financials



- Results indicate that 39% of employees cite a higher salary base as the primary driver for job change within the public sector.
- This highlights the significant role that compensation plays in influencing career decisions within the sector.
- Increased bonuses and Improved retirement plans are also important factors, with 26% and 19% of employees considering them a top driver for a job change. This highlights the importance of performance-based rewards and financial security in attracting and retaining talent within the industry.
- Most employees, 49% perceive the inclusion of non-financial rewards poorly within the public sector. This indicates a need for organisations to review what non-financial rewards mean in the context of public service.
- Recognition programs and Career development emerge as the most valued non-financial rewards within the public sector, with 48% and 20% of employees considering them a top priority, respectively.
- This underscores the importance of acknowledging and rewarding employee contributions to morale and engagement within the industry.

Q23 - What would make you think about leaving your current job for another one (Select top 3)
Q25 – How well does your organisation include non-financial rewards in its total compensation?
Q26 - What non-monetary aspects of compensation do you value the most? (Select the top 3)

The Opportunities

How organisations should respond

The Total Reward Concept

As a contribution to the prevalent challenge of increased attrition rates across various sectors, It is widely known that the economic downturn in Nigeria, the “Japa syndrome” phenomenon, and the elevated cost of living have significantly impacted both individuals and organisations. Skilled professionals are either seeking employment opportunities with higher remuneration elsewhere or migrating to countries offering more favourable conditions, thus contributing to the prevalent challenge of escalating attrition rates across various sectors.
In response to this pressing issue, discussions focusing on retention strategies have emerged. These dialogues have spurred companies to develop innovative approaches to retaining their workforce.

The “Total Rewards” concept invariably becomes a focal point concerning retention or innovative retention strategies.

“Total Rewards encompass more than compensation and benefits”

The Human Resources Director of a leading Fast Moving Consumer Goods (FMCG) company in Africa believes total rewards encompass more than compensation and benefits. It extends to recognising and understanding employee motivations, including training, learning, and personal growth opportunities. Total rewards address fundamental needs such as safety, both physical and psychological, as well as the pursuit of fulfilment and self-improvement. Organisations gain valuable insights into employee motivations by aligning recognition, learning opportunities, fairness, and decent pay with these core needs and can shape their operational strategies accordingly.

"Total Rewards" presents a comprehensive approach to employee compensation and satisfaction, extending far beyond conventional salary structures and bonuses. It represents a nuanced strategy to foster sustained engagement and fulfilment within the workforce.

Viewed as a reservoir of strategic tools, total rewards initiatives ensure employees' holistic well-being and prosperity. From robust healthcare benefits to opportunities for career progression and sincere recognition of dedication to cultivating a positive workplace environment, every aspect of employee satisfaction is meticulously addressed.

The total rewards approach recognises each employee’s individuality, tailored to their unique life and career paths. It aims to attract top talent, maintain enthusiasm and dedication, and foster long-term commitment.

When a company designs a thoughtful rewards system, it sends a clear message: "We see you, we appreciate you, and we’re invested in your success." The result is happier employees, lower turnover rates, and better performance, which drives the company forward.

Monetary compensation remains crucial, yet attracting and retaining top talent requires a more comprehensive approach. According to **Zingheim and Schuster (2001)**, the concept of total rewards comprises four key elements:

A Compelling Future: Employees seek fulfilment and pride in an organisation with a positive vision and values aligned with their own.

Individual Growth: Opportunities for professional development and growth are valued, necessitating meaningful training, appraisal, and feedback.

Positive Workplace: Employees thrive in a supportive environment, prioritising their development with clarity about their role’s significance and transparent communication.

Total Pay: This includes basic salary, performance-related incentives, benefits, and recognition mechanisms tailored to individual roles and needs. It encompasses sustained value, achievement-based incentives, and well-being provisions.

"Total Rewards means different things to different employees"

Each component of Total Rewards plays a crucial role in effective employee management. By carefully adjusting these components, HR professionals can craft a more enticing set of rewards, attracting top talent and maintaining motivation and commitment. This approach fuels organisational motivation, nurturing a culture of excellence and dedication.

pcl. recently interviewed a **C-Suite Executive from the professional services sector**. During the discussion, the executive emphasised the significance of Total Rewards as a competitive package and highlighted the importance of organisations providing such packages to retain talent.

Furthermore, the executive noted that employees frequently consider leaving when presented with superior offers elsewhere but often find their organisation's offerings more favourable upon closer examination. This preference is commonly attributed to the favourable work environment, employee-friendly policies, and other associated benefits. Consequently, offering a competitive package is paramount, complementing various other factors. Absent such offerings, employees may initially be enticed by higher salaries elsewhere but ultimately opt to remain due to the comprehensive benefits offered within their current organisation.

The implementation of total rewards varies in various organisations; some have commenced and are flourishing, while others have initiated but lack awareness of their progress. Conversely, some entities avoid engaging in such discussions altogether. The components of Total Rewards are as follows:

The Compensation Component of Total Rewards.

During an interview, the Group CEO of one of Africa's leading business solutions providers emphasised the critical role of competitive compensation in talent recruitment and retention. While factors like brand reputation and growth opportunities are essential, competitive compensation holds particular significance, especially in competitive markets where top talent is in high demand.

Compensation includes the financial remuneration employees receive for their contributions, including salaries, bonuses, and commissions. It is a paramount consideration for employees and represents a substantial investment for employers. The structure of compensation schemes can wield considerable influence over talent acquisition and retention strategies.

40%

of employees cite a higher salary base as the primary driver for job change within the manufacturing sector.

The Benefits Component of Total Rewards

"The educational sector hasn't recorded any changes in its rewards."

Health insurance, retirement plans, and paid time off are essential benefits beyond salary, and a robust package often holds more significance than base pay in today's health-conscious environment.

An HR Director emphasised the importance of implementing non-monetary benefits such as flexible work hours, professional development opportunities, recognition programs, and a supportive company culture to retain talent. These benefits should complement traditional compensation structures.

Key insights on the benefits component of total rewards and strategies for attracting Generation Z professionals were highlighted during the interview with C-Suite executives:

- Implement flexible work arrangements and non-monetary benefits like international HMO packages and spa/gym memberships.
- Secondly, utilise technology, flexible work options, and avenues for skill development to align with Gen Z's preferences.
- Adopting flexible work arrangements and remote options should also be considered to engage Gen Z individuals and cater to their digital connectivity preferences.

The Work-Life Flexibility Component of Total Rewards

The COVID-19 pandemic has significantly transformed the modern workplace, forcing businesses to adapt to remote work and flexible arrangements. While some organisations embraced this change to develop resilient structures, others reverted to old processes.

"Those in the IT sector want more flexible arrangements"

Organisations must acknowledge that flexibility has now become a crucial factor for employees, with work-life balance being a top priority. Many employees now consider flexible jobs, such as remote work or flexible schedules, as essential for maintaining their satisfaction and productivity. Therefore, it is imperative for companies to prioritise and offer flexible work arrangements to their employees.

The Performance and Recognition Component of Total Rewards

Recognition is a powerful motivator for employees, especially when linked to performance and contributes to a sense of value and dedication. In the context of total rewards, recognition can take various forms, ranging from formal awards to informal praise. An effective recognition system promotes fairness and honesty, encouraging employee pride and engagement.

"Performance reviews occur continuously throughout the year, reflecting our commitment to ongoing feedback and development rather than a specific annual event", shared the HR Director of West Africa's largest integrated marketing communications group.

By acknowledging and celebrating successes, organisations can boost morale, cultivate a positive workplace culture, and reap employee and company benefits.

Development and Career Opportunities Component of Total Rewards

For most employees, career growth opportunities are just as important as their paycheck. Advancing in their profession is vital to their job satisfaction, and when their companies invest in their future, they become motivated.

These opportunities within the total rewards framework include training courses, educational support, mentorship programs, and clear career paths. These perks show that the company values personal growth and sees its employees' potential.

The Primary Role of Total Rewards in Talent Management

Total rewards form the cornerstone of talent management, offering a comprehensive framework that caters to various aspects of the employee lifecycle.

In **Talent Acquisition**: Total rewards emerge as a potent tool for attracting and securing top-tier talent. Through competitive compensation packages, appealing benefits, and avenues for career progression, total rewards position the organisation as a preferred employer in a competitive job market.

Enhancing **Employee Engagement**: Total rewards strengthen organisational commitment by acknowledging and rewarding employee contributions. Recognition programs, performance-based incentives, and opportunities for skill enhancement are pivotal elements that enhance employee engagement and morale.

Integrated with **Performance Management**: Total rewards are intricately linked to performance management initiatives, offering tangible rewards and incentives for achieving individual and organisational objectives. Performance-based bonuses, merit-based salary hikes, and promotional opportunities exemplify how total rewards reinforce performance management strategies, driving desired behaviours and outcomes.

Total Rewards for **Retention and Talent Development:** Through competitive compensation, appealing benefits, and avenues for career advancement, total rewards promote employee loyalty, reduce turnover rates, and support talent development initiatives.

Designing total rewards programs

Designing comprehensive total rewards programs involves crafting strategies for compensation, benefits, and perks and implementing non-monetary rewards and recognition initiatives. In the contemporary market landscape, organisations increasingly recognise the importance of implementing such programs to attract and retain top-tier talent. However, a successful total rewards strategy encompasses various invaluable elements beyond conventional compensation frameworks.

Total rewards programs represent holistic offerings organisations extend to employees, comprising compensation, benefits, well-being initiatives, career development opportunities, and recognition endeavours. An impactful total rewards program cultivates employees' feelings of appreciation, encouragement, and drive, fostering a resilient and positive organisational ethos.

Strategies to know an Effective Total Rewards Program

1. **Aligns with Employee Value Proposition (EVP):** The cornerstone of a successful total rewards program lies in its alignment with the organisation's EVP. By integrating rewards, recognition, and development initiatives with the organisation's unique values and objectives, companies can enhance their EVP.

2. **Emphasises Differentiation:** Organisations differentiate themselves through unique initiatives in their total rewards programs, showcasing a commitment to employee well-being. Understanding competitors' offerings aids effective differentiation, enabling organisations to stand out.

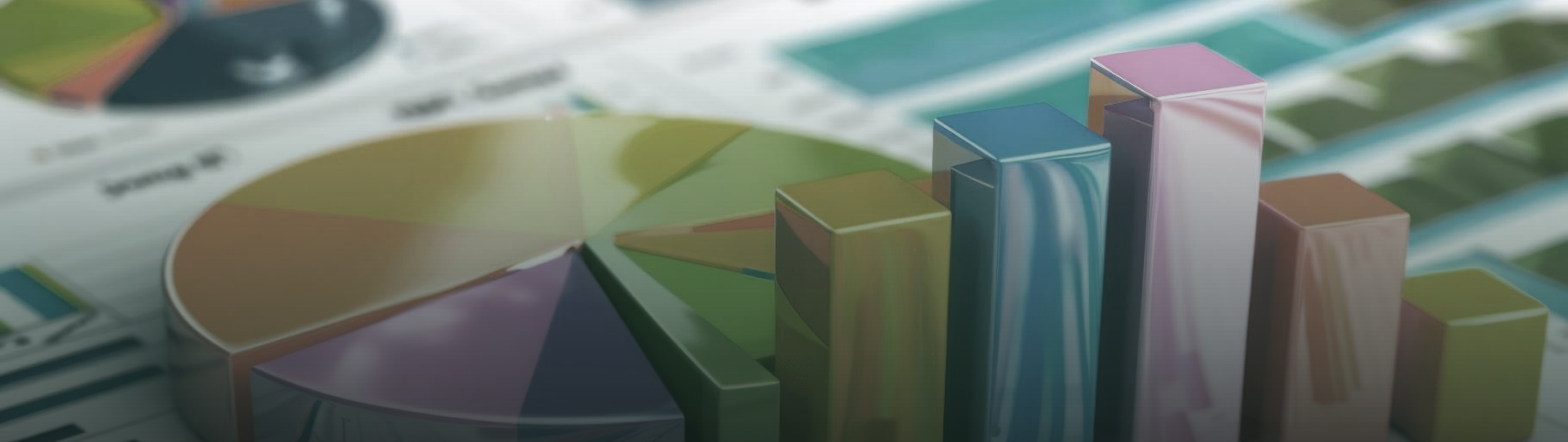
3. **Personalised Choices:** Today's diverse workforce requires a rewards program that allows for individualised preferences. Offering personalised choices within the total rewards spectrum enhances the overall employee experience and demonstrates the organisation's commitment to employee-centric practices, fostering engagement and satisfaction.

4. **Addresses Generational Differences:** Organisations need to acknowledge and accommodate the varying preferences of different generations in their workforce. Tailoring the total rewards program to meet the needs of Baby Boomers to Generation Z ensures inclusivity and boosts employee satisfaction through flexibility and a diverse range of benefits.

5. **Embraces Flexible Work:** Remote work has transformed organisations' operations, making flexible work arrangements increasingly prevalent. Embracing flexible work options culturally and within the total rewards program demonstrates an organisation's commitment to employee well-being and work-life balance. Such initiatives attract new talent and foster retention

6. **Implements Incentive Structures:** Incorporating variable pay structures, such as bonuses or incentives, can motivate employees and help organisations attract and retain top talents while driving performance and success.

7. **Utilises Total Rewards Statements:** Total rewards statements give employees an overview of compensation, including monetary and non-monetary benefits. While challenging to implement, these statements offer transparency and visibility into the holistic value provided by the organisation.



Key metrics and indicators to monitor and evaluate your total rewards program/strategy

1. **Return on Investment (ROI):** This metric provides a comprehensive assessment by combining the expenditure on rewards with the organisational value they deliver. Calculating ROI involves dividing the net benefits derived from rewards—such as increased productivity, retention, engagement, and performance—by the total investment outlay, including salaries, bonuses, benefits, taxes, and administrative costs.

2. **Employee Satisfaction and Engagement:** The evaluation of employee satisfaction and engagement is crucial for assessing the effectiveness of your total rewards strategy. This metric delves into employees' contentment and commitment to their rewards and responsibilities. Various methodologies, such as surveys, feedback tools, focus groups, or interviews, facilitate the measurement of employee satisfaction and engagement.

3. **Turnover and Retention:** These metrics show employees entering and leaving the organisation within a defined timeframe. The turnover rate is calculated by dividing the number of departing employees by the average workforce size during the period, while the retention rate is determined by dividing the number of retained employees by the average workforce size. Examining turnover and retention data provides actionable insights.

4. **Employee Feedback and Suggestions:** This metric involves collecting and analysing employees' opinions and ideas regarding rewards and potential enhancements. Feedback can be gathered through diverse channels, including surveys, feedback tools, focus groups, interviews, and suggestion boxes. Fostering a culture of openness, dialogue, and recognition encourages employee participation in providing feedback and suggestions. This metric is a key indicator of the responsiveness and adaptability of rewards to evolving employee needs and the level of employee involvement and empowerment in reward decisions.

5. **Performance and productivity:** These metrics measure employees' effectiveness in achieving goals, delivering quality work, and contributing to organisational success. Measurement can be done using various indicators like sales, revenue, profit, customer satisfaction, quality, efficiency, and innovation. Linking performance and productivity data with reward data such as pay, bonuses, and recognition offers deeper insights.

6. **Equity and Fairness:** This metric scrutinises how rewards are distributed fairly and consistently throughout your organisation and compares them to prevailing market standards. Pay audits, pay ratios, pay gaps, pay equity analyses, and benchmarking exercises are methods for assessing equity and fairness. Furthermore, equity and fairness can be examined across different reward components, employee demographics, or other relevant parameters.

Benefits of Implementing a Total Rewards Program

- Increased Employee Retention
- Strong Employer Brand
- Improved Employee Engagement
- Better Performance
- Positive Workplace Culture
- Alignment with Organisational Goals
- Cost Management
- Employee Well-being
- Competitive Advantage

Future Trends in Total Rewards and Talent Management

As organisations navigate the dynamic work landscape, employee compensation undergoes transformative shifts. The following trends will shape employee rewards, offering insights into the future of total rewards.

1. **Agile Compensation Structures:** Forward-thinking organisations embrace agile compensation structures capable of swiftly adapting to changing business dynamics. These structures incorporate flexible pay models, variable compensation components, and the agility to recalibrate rewards in response to market fluctuations.

2. **Pay Transparency and Equity:** There's a growing emphasis on pay transparency and equity. Organisations are disclosing salary ranges, implementing equal pay initiatives, and leveraging technology to ensure fair and transparent compensation practices, fostering trust and employee satisfaction.

3. **Skills-Based Pay:** The predominance of a skills-based economy propels the adoption of skills-based pay. Future-ready compensation strategies entail rewarding employees based on their specific skills, competencies, and organisational value, aligning pay with individual contributions.

4. **Remote Work Allowances**: Remote work has become a permanent fixture in the work landscape. Future-ready rewards include provisions for remote work allowances, which encompass expenses related to home office setups, internet connectivity, and other essentials supporting a productive remote work environment.

5. **Real-Time Recognition and Rewards:** The shift towards real-time recognition gains momentum. Organisations leverage digital platforms and tools to provide instant feedback and rewards, fostering a culture of continuous recognition that resonates with the preferences of the digital-savvy workforce.

6. **Performance Metrics Beyond Financials:** Future-ready compensation strategies transcend traditional financial metrics. Non-financial performance metrics, such as contributions to innovation, collaboration, and employee development, are integrated into reward systems to reflect a holistic view of employee value.

7. **Well-being-Centric Benefits:** Employee well-being takes priority in future-ready compensation packages. Organisations expand benefits to include mental health support, wellness programs, and initiatives promoting a healthy work-life balance and enhancing employee satisfaction.

8. **Customisable Benefit Packages:** Future-ready organisations recognise the diverse needs of employees and offer customisable benefit packages. Employees can select from various benefits aligning with their preferences, promoting autonomy and empowerment.

Appendix

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