

When take home is not taking home: why it's time to rethink your organisation's reward practices

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At the start of this year, a conversation with a long-time client, a talent leader, painted a [sobering picture](#) of the challenges many organisations operating in Nigeria face today.

“My people are complaining that their [take-home](#) is not taking-home. In fact, some say it finishes before they get to the bus stop,” he lamented with a weary chuckle.

These staff sentiments were despite the organisation implementing a [cost-of-living adjustment](#) in the previous year's third quarter.

Employee disengagement and attrition persisted, prompting our

conversation and eventually our engagement to redesign their reward strategies in light of their executive management's growing concerns over employee financial well-being amidst rising inflation and living costs in Nigeria.

In the face of real-world struggles by the average Nigerian with inflation, the rising cost of living, and the economic slowdown, it has become more urgent than ever for corporations to revisit their reward strategies and schemes.



Most talent and business leaders in the country will tell you that attrition and mobility of key talent have increased since the latter part of last year, fuelled primarily by talent searches for greater economic gain. This is also the driving force behind the talent drain 'Japa syndrome' that has bedevilled businesses in the last couple of years.

As the value of employee disposable income continues to diminish, organisations in the formal sector are facing mounting pressure to increase compensation even as their

economic fundamentals stagnate or decline.

More than a dozen organisations have reached out in the last two to four weeks to explore their options for meeting the very legitimate needs of their employees for increased pay.

This is reflective of the growing conversations and recognition of the human imperative in boardrooms across the country. Moreover, the federal and some state governments' commitment to increasing pay for civil servants further underscores the urgency of an organisational response.

Beyond altruistic considerations, recalibrating reward schemes is a business imperative. For businesses to not just survive but thrive in today's economic landscape, their employees are going to have to increase their productivity and performance.



Given that employee productivity has been shown to be firmly tied to their well-being and that their physical and mental well-being is currently being negatively impacted by the prevailing economic challenges, it makes eminent sense for

businesses to try to review their reward schemes to alleviate the concerns of their staff and foster a conducive environment for enhanced performance and overall organisational success.

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