



CONCEPT NOTE

FUE SALARY SURVEY, 2021

1.0 Introduction and Background

1.1 Introduction

The Federation of Uganda Employers (FUE) was established in August, 1960 by an Act of Parliament (the Trustees Incorporation Act 1954) which effectively provided the legal framework and mandates for its operations. It is the emissary of employers on social and economic issues, in particular; employment and labour issues.

Its membership is drawn from public and private sectors, and currently stands at 617 corporate members and 26 sectoral associations. FUE has 60 years' experience with a proven track record in drafting work place policies, developing strategy documents, lobbying and advocacy, implementing workplace-based projects and mobilizing people for development initiatives.

FUE as the employers' representative body strives to foster the best employment relations between employers and workers to enhance productivity at work place and business competitiveness of its members. One of the strategies that FUE uses to achieve the fore mentioned objective is by conducting regular salary surveys to avail the participating companies with accurate, relevant and timely survey results for benchmarking so that they are able to make evidence-based workers compensation structure which is competitive among businesses of their type in the labour market to minimize employee turnover and for attracting top talents to the respective organisations.

1.2 Background

Salary and other remunerations have a direct impact on labour productivity and business performance. Therefore, salary and remuneration should be reasonable and competitive at all levels. In Uganda today, the rate of employee turnover is very high. Employees aren't staying in positions for decades, they are instead quitting day and night which is very costly to employers. First and foremost, it affects the performance of an organization, and it becomes increasingly difficult to manage as the competition for skilled employees continues to increase. Findings from the Chartered Institute of Personnel Development (CIPD) study on employee retention factors found that more than four-fifths of employers had difficulty retaining employees.

It is clear that the most important asset that any organisation can have is a highly motivated and engaged human resources. However, over the years attracting and retaining resourceful staff is posing a serious challenge to many organizations and this has been attributed to the issue of pay. Thus, an evidence-based approach needs to be adopted to ensure that the organisation is able to attract and retain the right staff talent to enhance oversight for higher productivity.

One tool that your organisation can use to ensure you provide your staff with a fair salary and benefits package is to engage in a salary survey. FUE has been conducting salary and benefits surveys since the 1990s in order to provide timely guidance to employers.

1.3 Justification

Since the labour market is constantly changing, companies must be aware of the salary trends in order to remain relevant in business. These changes have also been accelerated by the emergency of COVID-19 pandemic which has distorted the labour market by creating new dynamics like remote working and its associated challenges;

massive downsizing of employees and revision of salary structures by a number of companies.

Employees being the most important assets for any organisation, it is very essential for every focused employer to retain their best employees and at the same time attract top talents to their organisation so as to remain ahead of the competition in the labour market. This can only be achieved when a company is offering a fair compensation package to employees based on the current market trends. It is however important to note that this information is typically shrouded in secrecy and therefore not readily available to whoever needs it.

Based on the above facts, coupled with the increased demand from employers for salary survey, the Federation of Uganda Employers is launching FUE salary survey – 2021. The survey will be conducted in all sectors, however specific attention will be given to eight sectors of Public, Manufacturing, Agriculture, Health, Insurance, Banking, construction and Engineering, and tourism and hospitality. The exercise is expected to be completed by 30th March 2021.

1.4 Objectives of the salary survey

- i. To establish the monthly rates of pay for staff in the surveyed organizations
- ii. To find out the bonus payments for staff in the surveyed organizations
- iii. To ascertain the conditions of employment in the surveyed organizations
- iv. To establish the rate of employee turnover in the surveyed companies

2.0 Methodology

2.1 Data to be gathered in the salary survey

The salary surveys will be an analysis of the compensation data. This data will include quantifiable aspects of compensation such as:

- Base salaries
- Increase percentages or amounts.

- Merit increases
- Salary ranges
- Starting salary
- Incentives/Bonuses
- Allowances and benefits
- Working hours
- Other compensation aspects offered by individual companies.

2.2 Method of data analysis

The survey will basically focus on computing the mean and median of the quantifiable aspects of compensation paid to employees at different levels of employment per each participating sectors. The mean is the average of all numbers divided by the number of responses.

On the other hand, in a range of figures, in order from highest to lowest or lowest to highest, the median figure is the one that falls at the midpoint of that range.

Given the fact that the mean may be skewed by outliers, for example, an extremely high salary or an extremely low salary that may be earned by only a few people, the median will also be used because a median figure unlike the mean is less likely to be skewed by outliers. The entire process of the survey is expected to last for three months.

2.3 Results Tabulation

The survey results will be tabulated by Job Title. This means that the average or median salary will be reported separately for each job per sector in the survey.

2.4 Survey Components/Activities

- The survey will be carried out using both an open ended and closed ended survey questionnaire
- Research assistants will be recruited and trained

- Research assistants will be sent to the field to collect data
- A preliminary report will be made and results verified
- A final report will be written and every participating organisations will get a copy of the report.

2.5 Activities to be undertaken during this salary survey

- i. Identifying the representative companies
- ii. Preparing the instruments to be used during the exercise
- iii. Collecting the primary data
- iv. Analyzing the data (Data will be anonymous)
- v. Preparing the report
- vi. Sharing the report

2.6 Targeted participants

The salary survey targets all employers both FUE members and nonmember companies. However, specific focus will be given to eight sectors of; Public, Manufacturing, Agriculture, Health, Insurance, Banking, construction and Engineering, and tourism and hospitality.

2.7 Duration of the survey

This survey will take a period of three months starting from December 2020 to February 2021. It is envisaged that by end of March, 2021, the report will be ready for sharing with employers. The report will only be shared to the participating companies.

2.8 Participation fee

- i. FUE members will pay 3,000,000 (Three million only) shillings
- ii. Nonmembers will pay 5,000,000 (Five million only) shillings as participation