

Levels of pay for CEOs on the rise

Multinational company heads earned as much as R60m in 2013

THE highest earners on the JSE are dominated by CEOs of multinational companies, with seven CEOs receiving total compensation of more than R60m each during 2013, says a report by boutique asset managers Mergence.

While levels of income inequality between executives and workers is growing globally, Mergence portfolio manager Brad Preston said it was concerning that SA ranked above a number of developed and developing market peers.

He recommended that the wage gap between the CEO and the company's lowest-paid workers be disclosed in the annual reports of JSE-listed companies.

The US is debating this issue, with the Securities and Exchange Commission (SEC) voting in September 2013 in favour of disclosing the wage gap between CEOs of public companies and that of their workers.

According to the Stats SA quarterly employment report, the average total compensation earned by nonagricultural workers in South Africa during 2013 was just below R180 000 a year.

This means that the seven highest paid CEOs on the JSE earned more



than 300 times what the average employed in SA made during the year.

Mergence MD Masimo Magerman said as an “impact investor” the company was interested in both high returns and the social effect of investments.

“We are concerned by the high level of inequality within SA society and so we need to approach the topic of remuneration within the companies that we invest our clients’ savings, with great care and thought,” he said.
– I-Net Bridge News