

randstad world of work report 2011/12 it's time to lead



The Randstad World of Work Report is now in its fifth year of production and stems from a survey of more than 3,226 employees and employers across Australia. The report provides valuable insight into the emerging trends facing the Australian labour market.

CEO commentary

The last two years in Australia have been particularly volatile, however, as 2012 approaches, the future of the Australian economy appears to be brightening. Our economic growth in Australia is set to out-pace all other developed nations as we progress towards the end of 2011 and into 2012, with forecasted full employment offering promise of a more active labour market. At the same time, one of the nation's greatest challenges will return as skills shortages once again look ready to take a firm hold.

While the outlook certainly seems more optimistic, our multi-speed economy continues to dictate patterns of trade, with the mining industry firmly leading the upswing, and flow-on effects felt across a variety of industries. Some sectors however, remain

sluggish in recovery and will require vast improvement in consumer confidence before any major growth is apparent.

In general, business confidence is gradually returning, employer sentiment strengthening and employees are once again beginning to feel secure enough to seek out new employment opportunities.

While this is the case, it must be acknowledged the business landscape is a vastly different place than it was two years ago. Human capital issues have continued to evolve throughout periods impacted by the emergence of different economic and social trends, with people now looking for bigger and better — or just different things, from their employers and leaders.

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executive summary

This year's Randstad World of Work Report highlights these changes in employee demands and desires, indicating a shift in priority towards greater training and development opportunities and strong leadership. On the employer side, productivity is this year's biggest human capital challenge, with business leaders looking to increase output and results, attract new high performing employees and capture innovation.

These significant shifts mean an integrated and informed human capital strategy is business critical. Only leaders well-versed in issues impacting the Australian employment landscape as a whole, and at industry level, will attract and retain the talent needed to grow. Our report identifies a vast array of issues integral to the development of this strategy, highlighting the importance of factors such as maintaining compelling employer brands, managing employee mobility, driving the productivity agenda and bridging the leadership gap.

The need for strong leadership is quite evident in this year's Randstad World of Work Report — leaders who inspire, motivate and drive their organisation to success. Yet it seems many leaders are unsure of their own ability, and the ability of their management team, to maintain a high performance culture in an increasingly competitive marketplace.

This year's report provides valuable guidance for business and HR managers planning strategies for the year ahead. Whether in large organisations or small-to-medium enterprises, one message has become very clear — it's time to lead.



Fred van der Tang
CEO — Randstad Australia & New Zealand

While the outlook for the next 12 months is varied, consensus suggests successful organisations will be those who acknowledge the need for investing in, and developing strong leaders — leaders focused on retention, building workforce productivity, and establishing strategies to capture new ideas and innovation.

Performance & productivity

Productivity, performance and skills are foremost in the minds of business and HR leaders in the next 12 months. The majority of employers surveyed say increasing workforce performance and productivity is their single biggest human capital challenge, closely followed by attracting new talent, retaining top performers and managing internal change.

Sixty-five percent intend to unlock workforce productivity by boosting investment in training and development. This comes on the back of Australian Government plans for a \$3 billion training and skills package to ease anticipated skills shortages. It seems the investment can't come soon enough — with the majority of employers (62%) already experiencing skills shortages or expecting them to emerge throughout the next year.

Attracting top talent

With 92% of employers set to maintain or increase investment in human capital in the next 12 months, the biggest productivity concerns for employers include filling critical vacancies, developing leadership skills for the next phase of growth and a lack of specialist skills to drive innovation.

Hiring intentions are generally optimistic for the year ahead with most employers (82%) planning to maintain or increase headcount and 53% planning to hire more full-time staff.

While the resources sector may be fuelling economic growth, Australia is largely a services economy. It's therefore not surprising the major areas of demand are qualified professionals, and clerical and administrative staff.

While there are positives, there are also negatives, as organisations begin to feel the impact of one of the largest mass exodus of workers the country has ever seen — the Baby Boomer move into retirement. With this comes a possibly debilitating increase in skills shortages and growing competition to attract the shrinking population of workers in the market.

Despite forecasts, just 52% of survey respondents agree or strongly agree the nation's ageing workforce will have a negative impact on their organisation in the next 10 years. This means one of two things — organisations are largely uninformed about this impending challenge, or they have already developed attraction strategies to combat it.

In mid-2011 the Federal Government pointed to rapid upskilling as a means of reducing shortages, and the possible 300,000 additional workers that may be gained by increasing employer attractiveness to diverse groups such as people of mature age. Training and development is a key long-term strategy to ensure a pipeline for workers coming up the ranks.

Retention in a changing market

While hiring and attraction are critical to employer agendas, retention is also an escalating issue. Increased labour mobility is expected to challenge employers in the next 12 months, with over a third intending to leave their job — citing a lack of opportunity for growth and development. This is more than double the number that will leave due to uncompetitive salary/remuneration. These results highlight the need for organisations to work closely with employees to develop individual career paths and think creatively about how to offer opportunities for growth. The message is loud and clear — retention of high performing talent will depend on it.

When it comes to job satisfaction, employees report moderate levels of happiness and again affirm the principals of meaningful work — recognition and flexicurity (job security with inbuilt flexibility) — are the key to loving their work. In fact 26% of employees intending to stay with their current organisation for the

next 12 months, say good work/life balance is the main reason — indicating Australian employers are listening and beginning to deliver on workplace flexibility.

Employers clearly see this trend continuing as flexibility also ranked first among future challenges, with 92% agreeing or strongly agreeing the merging of daily work and life means employees will demand both security and flexibility in the next ten years.

Despite most employers agreeing the improvement of staff retention is a strategic goal, 26% anticipate an increase in staff turnover in the next 12 months. Fifty-six percent of those surveyed attribute this turnover to an improved job market offering better opportunities.

Leadership & innovation

To advance the productivity agenda, businesses need to work smarter to harness knowledge and talent. Yet almost half of all employers surveyed believe their organisation doesn't have effective processes to capture ideas for business improvement or innovation. To create better products, services, workplaces and brands, business leaders must find a way to tap into the knowledge of frontline staff and managers.

This is a reminder leadership remains a key challenge for organisations. Half of those surveyed believe the single biggest attribute of a successful leader is the ability to motivate and inspire others, yet over a third of employers and employees rate their own direct manager as poor or average in this area. This highlights a divide between what is expected of leaders and what they are delivering.

Salary

Historically, salary is a factor high on the agenda of employees seeking new employment. After a long and patient wait through the GFC and the subsequent recovery, salary expectations are now high — and ignoring this will be to the detriment of employers. Over the next 12 months, 34% of respondents expect a salary rise of up to 4%, 29% a 5–10 % rise, and 15% more than a 10% rise.

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Randstad is a Fortune 500 company and one of the world's largest recruitment & HR services organisations — specialising in temporary, permanent and executive recruitment, as well as providing custom-made HR solutions, across the widest range of industry sectors.

From over 4,000 offices across more than 40 countries, Randstad employs 520,000 people every day with the aim of 'Shaping the world of work'. Through our continued commitment to providing specialist recruitment & HR services, our mission is to help people find the right career moves, and businesses to connect with, and develop the best talent in the market.

For every completed survey a donation was made to Voluntary Service Overseas (VSO). VSO is the largest independent, international volunteering agency in the world, whose core activity is matching volunteers' skills with the needs of communities in the developing world. By tapping into Randstad's core competencies and leveraging its network of expertise, VSO can stimulate even more positive change and work towards beating global poverty.

You will receive a full copy of the 2011/12 Randstad World of Work Report shortly.

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