



# Michael Page Employment Index Quarter 4, 2011

## Australia

# Executive Overview

## Key Findings

The steady jobs growth seen across professional markets in Australia is set to continue in the fourth quarter. Although a level of uncertainty exists around global economic conditions, the vast majority of companies surveyed (58%) reported that weakness in US and European economies is not impacting domestic headcount decisions, with recruitment activity expected to remain largely unaffected.

Of the employers surveyed for this report, 68% expect staff numbers to remain stable as the year draws to a close. A further 23% of respondents plan to boost headcount over coming months, with most recruitment occurring in revenue generating areas like sales and account management (41%). Employers are also looking to boost their capacity in back office (27%) and procurement and supply chain (27%) areas in order to support increasing levels of business activity.

With sustained hiring activity expected to continue over coming months, the engagement and retention of top talent remains a key business challenge for Australian employers. Some 32% of the companies surveyed for this report will be placing a major focus on staff retention in the fourth quarter. For almost half of these employers, training and development opportunities will be offered to their most valuable staff as a key incentive to remain with their business. A further 24% of respondents plan to offer performance-based rewards to keep their top performers. Unsurprisingly, most employers nominated wages growth as the key challenge facing Australian businesses in the fourth quarter.

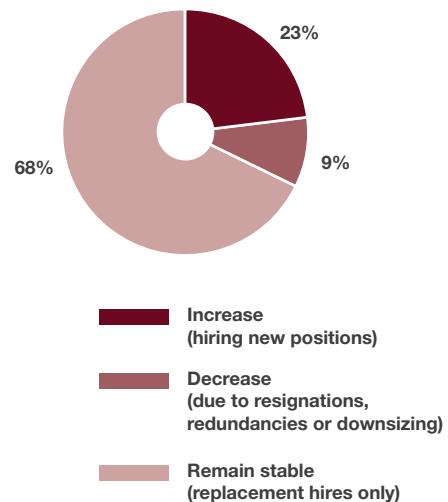
As more professionals start to consider their career options for the New Year, the pressure on employers is increasing to keep their top performers engaged. Some 33% of respondents will be looking to promote a supportive company culture as their key engagement strategy in the fourth quarter. Strong leadership (26%) and transparent communication (22%) will also be promoted by senior teams in an effort to boost employee satisfaction.

Despite concerns around global economic conditions, business confidence in Australia remains positive. Of the companies surveyed for this report, 56% expect domestic business conditions to remain stable or improve over coming months.

## Methodology

The Michael Page Employment Index provides a snapshot of hiring and business confidence trends for the white-collar employment market in Australia. The online survey is distributed quarterly to a group of more than 1,700 senior human resources professionals and hiring managers who have agreed to participate in the research. The report is predictive and focuses on anticipated trends for the quarter ahead, rather than an analysis of historical employment data, such as job advertisement numbers. Respondents work across a broad range of professional sectors and are surveyed on a standard set of employment indicators, as well as a selection of topical questions to reflect current market developments.

### Predicted staff numbers for Q4



“Hiring activity steady despite global market concerns”

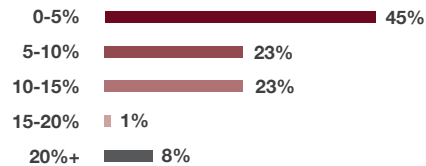
# Companies increasing headcount in Q4

Steady jobs growth is expected to continue across professional markets in Australia during the fourth quarter of 2011. Some 68% of the employers surveyed expect staff numbers to remain stable during this period, with a further 23% planning to increase headcount.

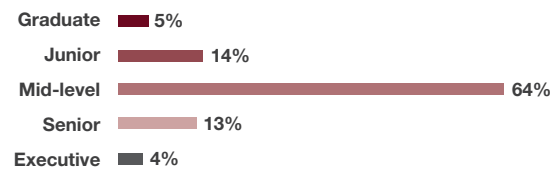
Most employers (41%) continue to focus their investment on front line, revenue generating roles in areas like sales and business development. The remaining hiring activity will be evenly spread across procurement and supply chain positions (27%) and support roles in areas like marketing and finance (27%). These figures suggest that employers are starting to recruit more broadly across their company to support increased levels of business activity.

Most companies are planning a moderate increase to staff numbers, with 45% of respondents intending to boost headcount by up to 5%. More substantial increases are expected by a further 46% of employers. The vast majority of companies expanding their headcount in the fourth quarter will be recruiting professionals at the mid level in an effort to support the achievement of their business goals.

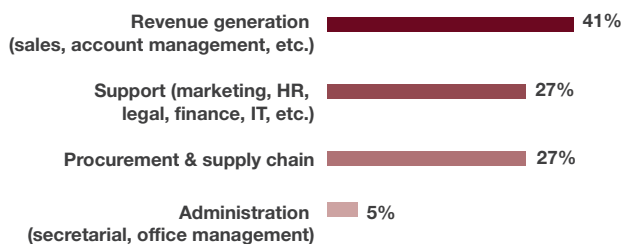
## Anticipated headcount increase



## Hiring focus by level of experience



## Hiring focus by business function



68%

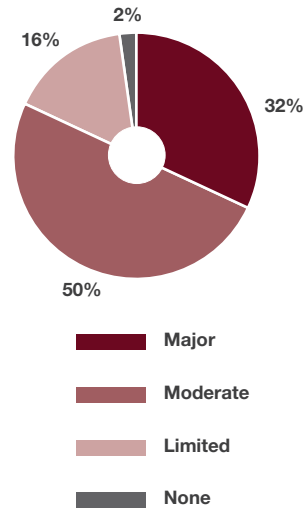
of employers expect staff numbers to remain stable in Q4.

# Talent Management

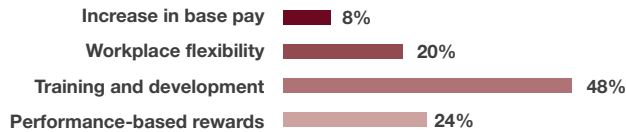
The attraction and retention of talented professionals continues to be a key business challenge for companies in Australia. Of the companies surveyed for this report, 32% will be placing a major focus on staff retention over coming months. In an effort to retain their best employees, most companies (48%) will be offering training and development opportunities. A further 24% of employers plan to offer performance-based rewards as the primary incentive for top performers to remain with their business.

Whilst most of the companies surveyed (56%) are expecting employee turnover levels to remain relatively stable over coming months, a further 17% are predicting increased employee movement as professionals continue to pursue new opportunities in the positive employment market.

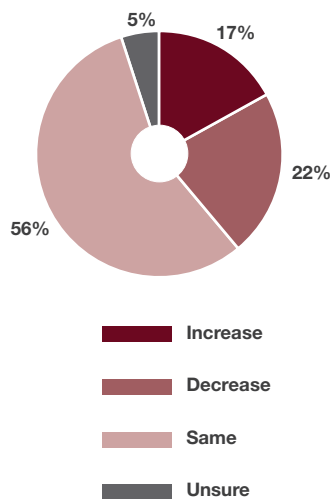
## Level of focus on staff retention



## Key retention strategies for Q4



## Predicted staff turnover for Q4



**48%**  
of employers will offer training and development opportunities as a key retention strategy in Q4.

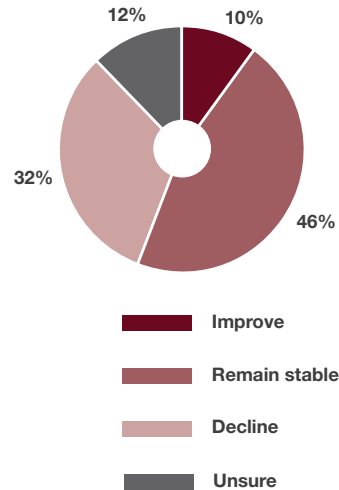
# Market Outlook

Business confidence in Australia remains positive, with over half of the companies surveyed expecting domestic business conditions to remain stable or improve over coming months. Despite this confident outlook, an element of caution still remains in the current environment due to ongoing weakness in overseas economies.

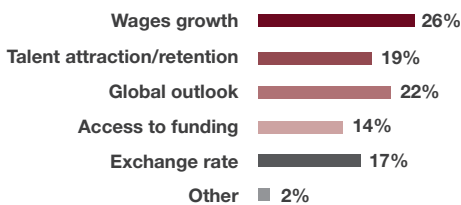
Expectations vary around the global demand for Australian products and services in the fourth quarter. Whilst 14% of respondents predict international demand will strengthen over coming months, a further 26% are less optimistic. These results demonstrate the variance in confidence between different sectors at this time of the year, as well as the uncertainty that exists around the global economic outlook.

Most of the employers surveyed for this report (26%) nominated wages growth as the key challenge facing their business in the fourth quarter. This was followed by concerns around global economic conditions (22%) and the attraction and retention of top performers (19%).

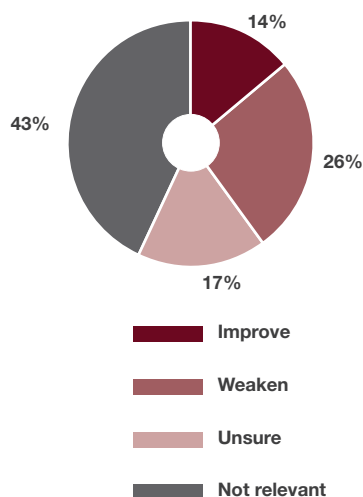
## Predicted business conditions for Q4



## Key business concerns for Q4



## Global demand for products/services in Q4



**56%**  
of companies expect business conditions to remain stable or improve in Q4.

# Market Outlook

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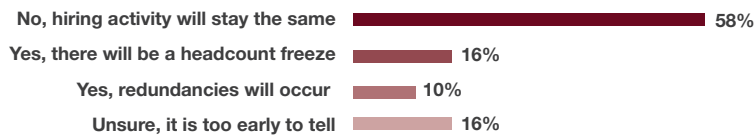
Although a level of caution exists amongst employers in Australia around the strength of the global business environment, the vast majority of respondents surveyed (58%) reported that weak economic conditions overseas are having no impact on fourth quarter headcount decisions, with recruitment activity expected to remain largely unaffected.

With sustained hiring activity expected to continue over coming months, companies will need to have strong engagement strategies in place in order to retain their best talent.

Most of the employers surveyed (33%) will be looking to promote a supportive company culture as their key engagement strategy in the fourth quarter. Strong leadership (26%) and transparent communication (22%) will also be promoted by senior teams in an effort to boost employee satisfaction.

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## US and European economies negatively impact headcount in Australia over Q4



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## Key employee engagement strategies for Q4



58%

of employers report that weak economic conditions overseas are not impacting domestic hiring activity

# Regional Trends

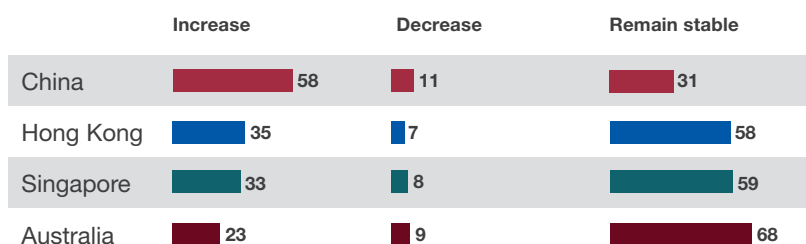
The professional employment market will continue to strengthen across the Asia Pacific region as the year draws to a close. Employers in China report the strongest intentions of headcount growth, with some 58% planning to increase staff numbers over the fourth quarter. This compares to 35% of employers in Hong Kong, 33% in Singapore and 23% in Australia. These figures illustrate the strength of white-collar jobs growth in the region at a time when comparative markets in the US and UK remain weak.

For most of the employers surveyed, recruitment in the fourth quarter will be centred on front line roles in areas like sales and account management. Companies in

China are making the largest investment in business growth, with some 75% of employers focusing recruitment on revenue generating roles. This compares to 44% of employers in Hong Kong, 41% in Australia and 28% in Singapore.

As employees become more confident about making their next career move, companies are looking for more effective strategies to help retain their most skilled and experienced staff. Half of the employers surveyed in Singapore are placing a major focus on staff retention strategies in the fourth quarter, followed by 37% in Hong Kong, 33% in China and 32% in Australia.

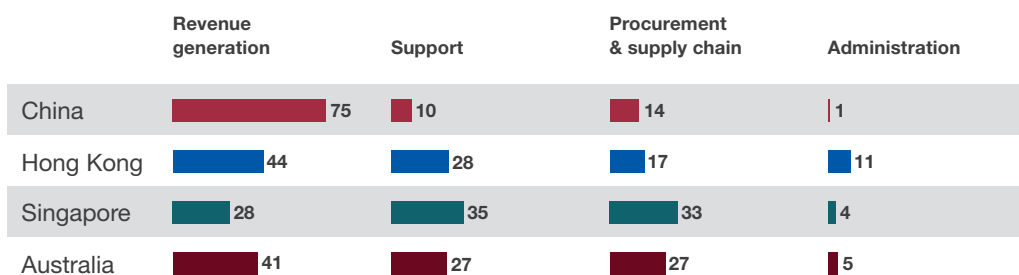
## Predicted staff numbers for Q4 (%)



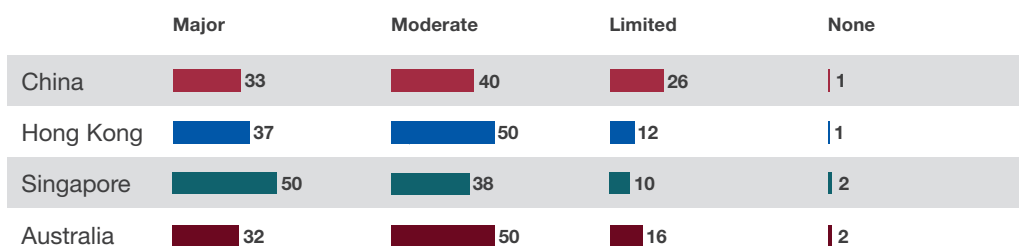
### NOTE:

- Increase = hiring new positions
- Decrease = due to resignations, redundancies or downsizing
- Remain stable = replacement hires only

## Hiring focus by business function (%)



## Level of focus on staff retention (%)



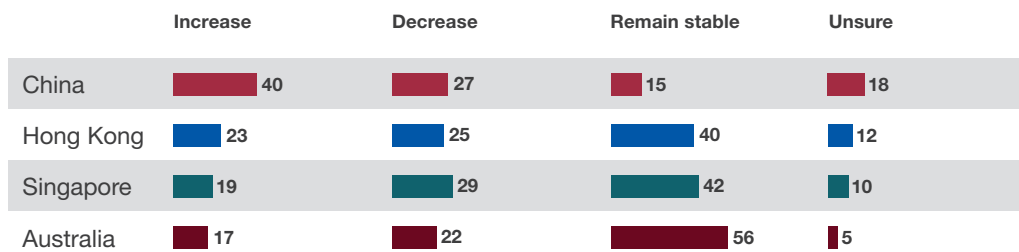
# Regional Trends

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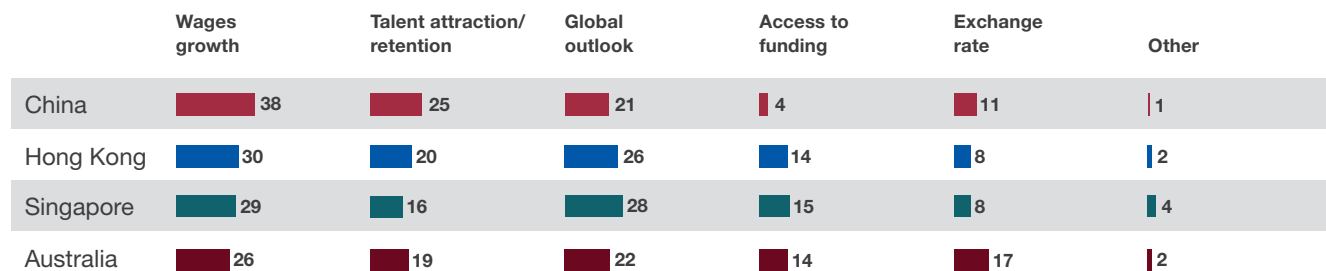
The level of staff turnover is expected to remain relatively stable across the Asia Pacific region during the fourth quarter. Some 56% of respondents in Australia predict that turnover levels will remain unchanged over coming months, along with 42% in Singapore and 40% in Hong Kong. In contrast, the majority of companies in China (40%) predict that turnover will rise, suggesting that these employees are the most confident about moving roles in the current economic environment.

The growing cost of salaries continues to be a key business concern across the region. Some 38% of the employers surveyed in China consider wages growth to be the most significant business challenge in the fourth quarter. This compares to 30% of employers in Hong Kong, 29% in Singapore and 26% in Australia.

## Predicted staff turnover in Q4 (%)



## Key business concerns for Q4 (%)



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### About Michael Page International

Michael Page International is a leading professional recruitment consultancy specialising in the recruitment of permanent, contract and temporary positions on behalf of the world's top employers. The Group operates through 152 offices in 32 countries and has over 4,400 employees worldwide. First established in London in 1976, we've been bringing job seekers and employers together for more than 30 years. Our presence in the Asia Pacific region extends across China, Singapore, Hong Kong, Japan, India, Malaysia, Australia and New Zealand.