



# Michael Page Employment Index Quarter 1, 2012

## Australia

# Executive Overview

## Key Findings

The first quarter of 2012 will see consistent hiring activity continue across professional markets in Australia, despite ongoing concerns around global market conditions. Most of the employers surveyed are largely positive about the strength of the domestic business environment, with some 66% of respondents predicting that business conditions in Australia will remain stable or improve over coming months.

With respect to hiring activity, most of the employers surveyed (63%) reported that staff numbers will remain stable over the first quarter of 2012, with a further 28% planning to expand their headcount. Most recruitment (58%) will be in front-line, revenue generating roles in areas like sales and account management, as companies position themselves for further business growth in the new year.

The attraction, engagement and retention of top talent continues to be a core challenge for many employers in Australia. Some 41% of survey respondents consider talent management to be the primary concern facing their business in the first quarter of 2012.

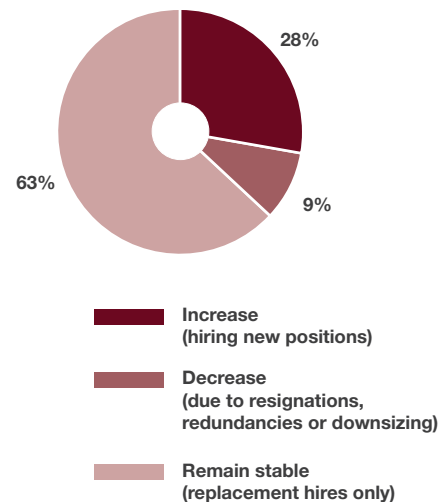
Employers will be using a variety of incentives to help motivate their staff over coming months. In terms of non-financial rewards, most survey respondents will be promoting transparent communication (24%) or fostering a supportive company culture (21%) in order to keep their best people engaged. Other common strategies will include recognising achievements and displaying strong leadership. For those companies looking to use financial incentives to keep their staff motivated, some 22% will offer bonus payments, 19% will increase base salary levels and 12% will make other paid benefits available.

Some 38% of the employers surveyed will also be placing a significant focus on staff retention strategies over coming months. For the third consecutive quarter, training and development opportunities will be the primary strategy used by employers (43%) to help retain top talent. Flexible working conditions and performance-based rewards were also reported by respondents as key incentives to keep talented professionals within their business.

## 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 Q1



“Steady jobs growth set to continue”

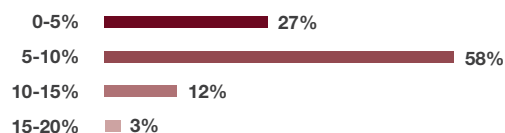
# Companies increasing headcount in Q1

Employers in Australia will continue their steady investment in new headcount during the first quarter of 2012. While some 63% of the companies surveyed expect staff numbers will remain stable during this period, a further 28% are planning to hire new talent into their business.

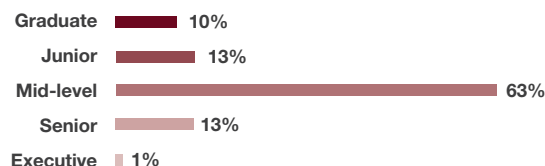
Over half of the survey respondents (58%) will focus their recruitment activity on front-line, revenue-generating roles in areas like sales and business development. This represents an increase of 17% on results from last quarter, which suggests that companies are prioritising the improvement of business activity levels in early 2012. An additional 30% of hiring activity will occur in the procurement and supply chain area.

Most of the companies (58%) expanding their headcount in the first quarter of 2012 are planning to boost staff numbers by 5-10%. A further 27% of respondents are planning more moderate increases in the range of 0-5%. In a trend that has remained consistent over the last 12 months, recruitment activity will be focused primarily around mid-level roles.

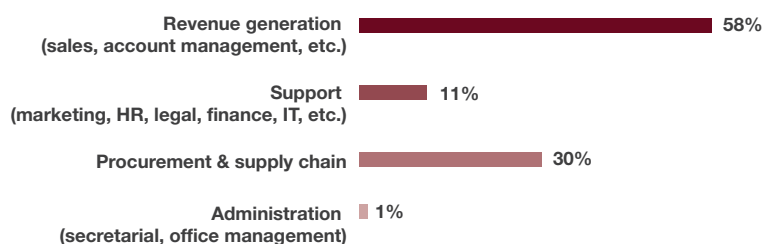
## Anticipated headcount increase



## Hiring focus by level of experience



## Hiring focus by business function



# 58%

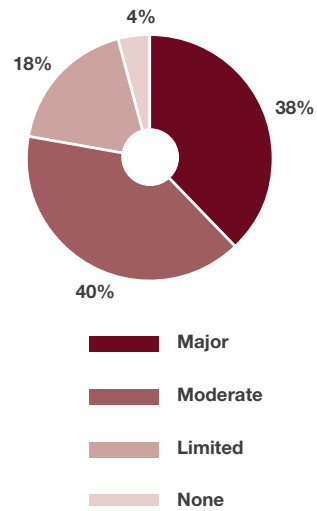
of companies are focusing their hiring on revenue generating roles in Q1.

# Talent Management

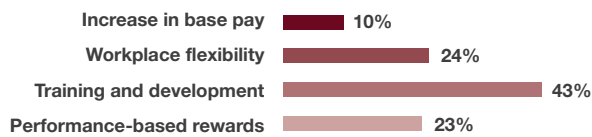
With consistent growth anticipated to continue across the professional employment market, the ability to attract and retain top talent remains a key challenge for many companies in Australia. Some 38% of the employers surveyed for this report will be placing a major focus on staff retention strategies over coming months. For the third consecutive quarter, training and development opportunities will be the primary strategy used by employers (43%) to help retain their best people. Flexible working conditions and performance-based rewards were also reported by respondents as key incentives to keep top performers within their business.

While half of the companies surveyed (50%) expect staff turnover levels to remain largely unchanged over coming months, a further 29% are predicting increased employee movement in the new year period.

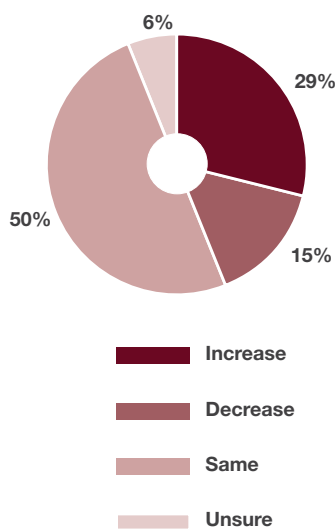
## Level of focus on staff retention



## Key retention strategies for Q1



## Predicted staff turnover for Q1



38%

of employers will be placing a major focus on staff retention strategies in Q1.

# Staff Motivation

Some 33% of the employers surveyed will use incentives other than financial rewards to motivate their staff during the first quarter of 2012. The preference toward offering non-financial rewards is a trend that typically increases when employers are uncertain about the strength of global market conditions.

Some 24% of survey respondents will be promoting transparent communication within their organisation as the primary non-financial way to motivate staff over coming months. This is followed by the promotion of a supportive company culture (21%), recognising achievements (19%) and strong leadership (19%).

Of those companies that are in a position to financially reward their staff in the first quarter, some 22% will offer bonus payments, 19% will increase base salary levels and 12% will make other paid benefits available.

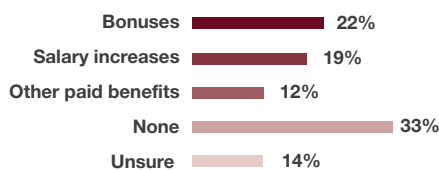
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## Non-financial incentives to motivate staff in Q1



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## Financial incentives to motivate staff in Q1



24%

of employers will promote transparent communication to motivate staff in Q1.

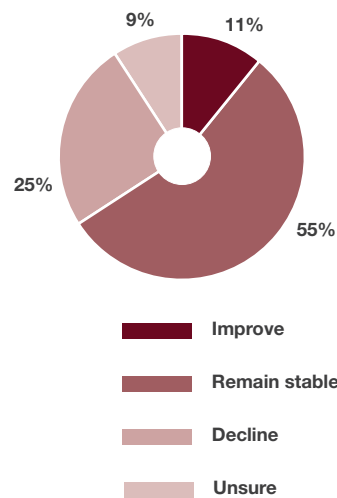
# Market Outlook

According to survey findings, most employers in Australia are relatively confident about the strength of the domestic business environment over coming months. The majority of survey respondents (55%) predict that business conditions will remain stable during the first quarter of 2012, with a further 11% expecting conditions will improve. Although business sentiment remains largely positive, the survey findings reveal a level of concern amongst some employers about the impact of global economic weakness on business conditions in Australia.

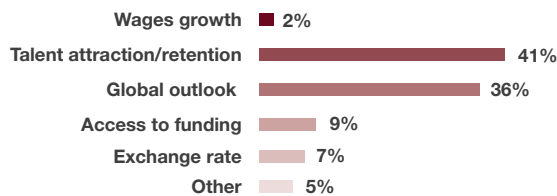
Companies that depend on export markets have varying levels of confidence about the global demand for their products/services in the first quarter. While some 21% of respondents predict that international demand will increase over coming months, a further 22% expect demand will weaken and 24% remain unsure. Similarly to last quarter, these results demonstrate the marked difference in confidence levels that exists between different sectors.

For 41% of the employers surveyed in this report, the attraction and retention of key talent was nominated as their primary business challenge for the first quarter. This was followed by concerns around the global market outlook, with 36% of companies citing this as their key business concern over coming months.

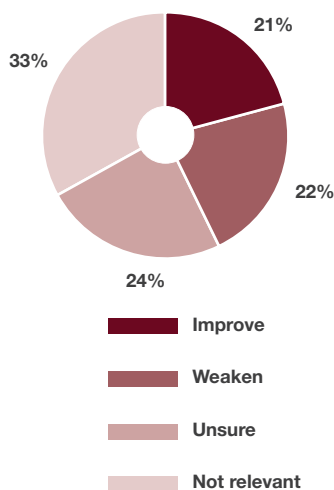
## Predicted business conditions for Q1



## Key business concerns for Q1



## Global demand for your products/services in Q1



**55%**  
of employers believe business conditions will remain stable in Q1.

# Regional Trends

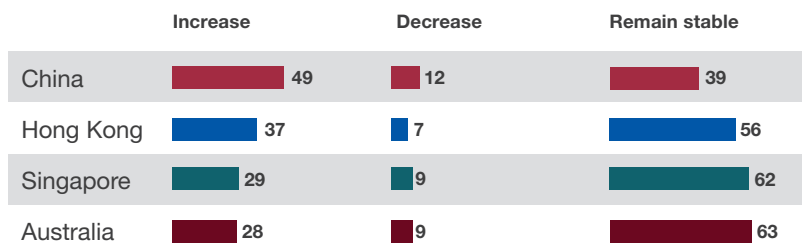
Steady jobs growth in the white-collar professional market is set to continue across the Asia Pacific region throughout the first quarter of 2012. China leads the way with respect to headcount growth, with some 49% of the employers surveyed planning to increase staff numbers over coming months. This compares to 37% in Hong Kong, 29% in Singapore and 28% in Australia.

The vast majority of hiring activity in the first quarter will be focused on revenue-generating roles in areas like sales and business development. This is a clear indicator that companies are positioning themselves for further business growth in early 2012. As a regional comparison,

69% of companies in China are focusing recruitment on front-line roles, followed by 65% in Hong Kong, 59% in Singapore and 58% in Australia.

The retention of key staff remains a major challenge for companies across the region. Employers will be looking for skilled and experienced professionals to help drive their business forward over coming months, which will increase competition for the best talent. Some 43% of the employers in Singapore will be placing a major focus on staff retention in the first quarter, followed by 38% in Hong Kong, 38% in Australia and 35% in China.

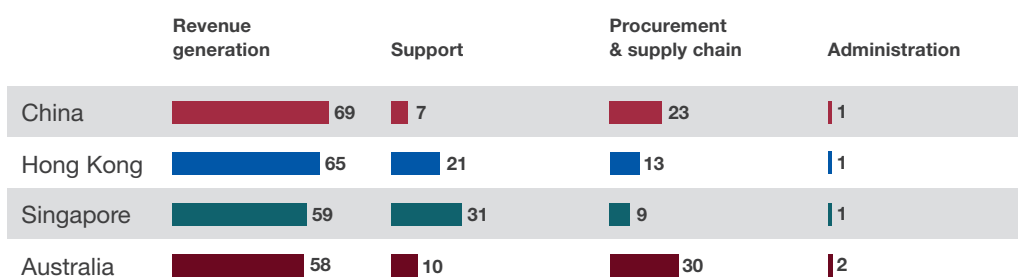
## Predicted staff numbers for Q1 (%)



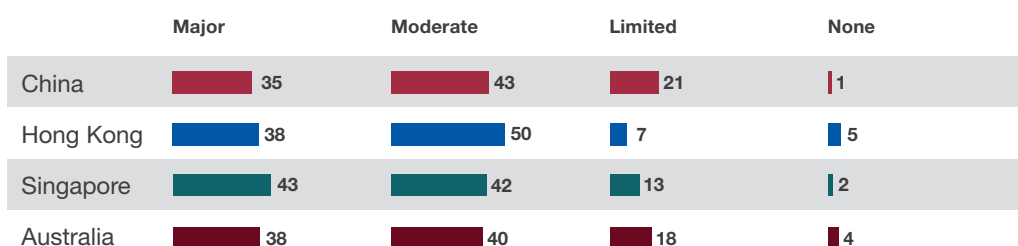
**NOTE:**

- 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 (%)



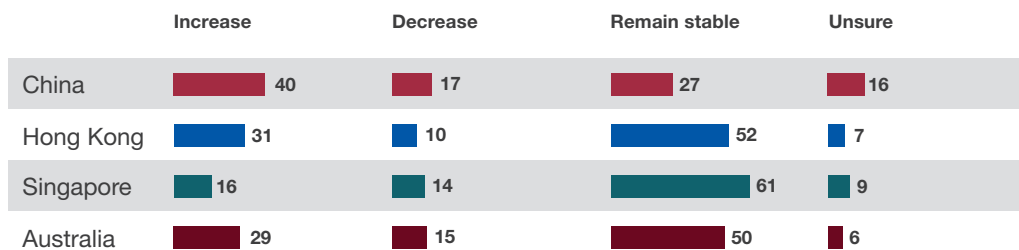
# Regional Trends

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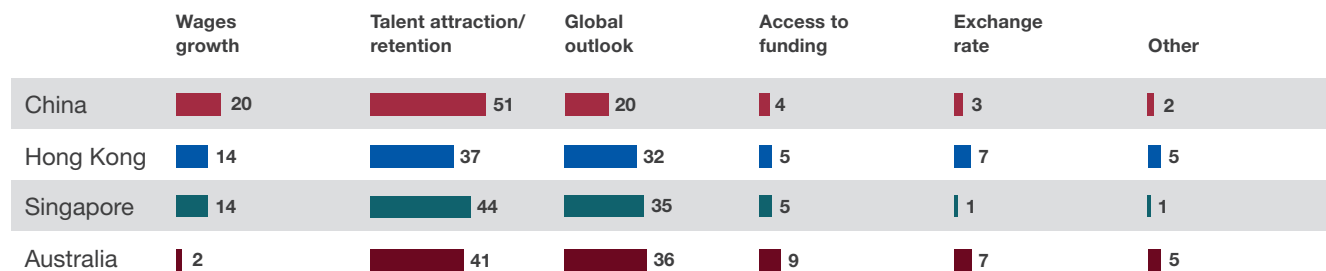
Staff turnover levels are not expected to change significantly across most of the Asia Pacific region during the first quarter of 2012. The majority of employers in Singapore (61%) expect that turnover levels will remain relatively stable over coming months, along with 52% in Hong Kong and 50% in Australia. For the third consecutive quarter, strong jobs growth in China is leading many employers (40%) to predict that staff turnover will rise.

The ability to secure new talent and retain proven performers is becoming a significant business challenge for employers across the region. Employers in China are the most concerned about attracting and retaining key staff (51%). This compares to 44% of companies in Singapore, 41% in Australia and 37% Hong Kong.

## Predicted staff turnover in Q1 (%)



## Key business concerns for Q1 (%)



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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 156 offices in 32 countries and has over 5,300 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.