

The Department of Education, Employment and Workplace Relations recently reported that Australia's unemployment rate had dropped to its lowest level since January 2009, with a record 364,000 jobs being created in the 12 months to January 2011.

With an economy close to full employment and strong jobs growth forecast to continue throughout the year, organisations across all sectors will face significant skills shortages and fierce competition for talent in 2011. As a result, the employment market will become increasingly candidate-driven and prompt more professionals to pursue new job opportunities.

This whitepaper examines the impact this candidate-short market will have on employers and employees, explores employee and employer views on motivation, and highlights key considerations for employers seeking to increase their chances of retaining top talent.

Findings are based on research conducted by Robert Walters in January/February 2011.

IMPACT OF A CANDIDATE-SHORT MARKET ON EMPLOYERS



Robert Walters' survey of employers found that organisations are concerned about their ability to retain top talent in a candidate-short market, with over 70% of managers surveyed saying they believe that greater numbers of employees will leave to pursue new opportunities in the first half of 2011 due to improved economic conditions. However, only 45% of employers surveyed feel their organisation does enough to motivate employees.

Of all the employers surveyed, 63% have a plan in place to help ensure the retention of key employees and over 64% have conducted a survey to measure their employees' motivation levels.

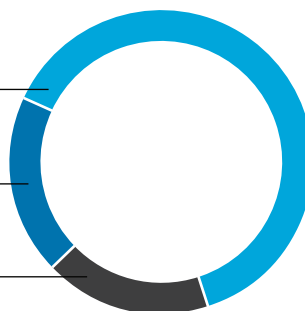
Encouragingly, of those employers who don't currently have a retention plan in place, half are planning to develop one in 2011. Overall, only 18% of employers surveyed will not have a retention plan in place in 2011.

Employer intentions re: staff retention plans

Employers who have a retention plan in place **63%**

Employers who don't have a plan in place but will develop one in 2011 **19%**

Employers who don't have a retention plan and will not develop one in 2011 **18%**



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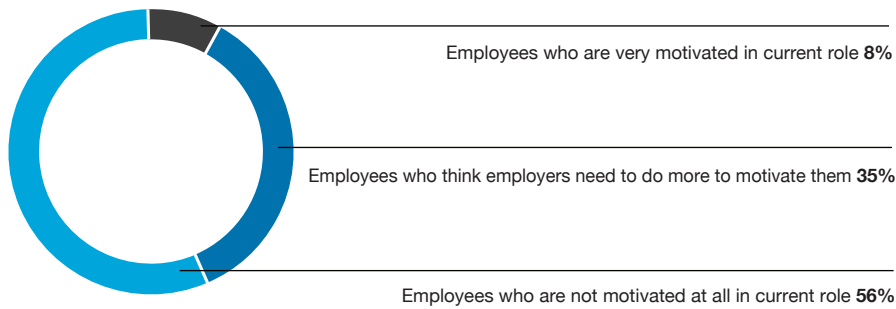
According to Robert Walters' Managing Director – Australia, James Nicholson, these figures indicate that employers understand the importance of retaining key employees in 2011.

“A large number of professionals who put their job search on hold or took jobs not aligned with their career goals during the economic downturn will look to re-enter the job market and progress their careers this year, so it is encouraging to see that employers recognise how vital retention will be to their success in 2011. The next step for employers is to understand what motivates their employees and put plans in place to meet these needs.”

EMPLOYEE MOVEMENTS IN A CANDIDATE-SHORT MARKET

Exactly half of the employees surveyed indicated that they are planning to take advantage of the improved market conditions and pursue new job opportunities this year. Of these respondents, only 8% feel that their current employer does enough to motivate them.

Levels of motivation in employees looking to pursue new opportunities



Over 76% of employees surveyed said they would consider seeking their next career move with a competitor, and 42% indicated they had previously been approached by a competitor about an employment opportunity.

EMPLOYEE AND EMPLOYER VIEWS ON MOTIVATION

Robert Walters' research found that while employers are largely cognisant of what motivates employees (Table 1.0), there are significant discrepancies between what employers and employees consider de-motivating factors in the workplace (Table 2.0). Most notably, employees consider 'Uninteresting work' to be significantly more de-motivating than what employers do.

Table 1.0

MOST MOTIVATING FACTORS ACCORDING TO EMPLOYERS		MOST MOTIVATING FACTORS ACCORDING TO EMPLOYEES	
Opportunities for career progression	30%	Opportunities for career progression	31%
Salary and bonuses	26%	Salary and bonuses	21%
Good work/life balance	12%	Good work/life balance	15%
Strong organisational culture	11%	Varied and interesting work	12%
Recognition and rewards	10%	Strong organisational culture	9%
Varied and interesting work	8%	Opportunities for training	7%
Opportunities for training	3%	Recognition and rewards	5%

Table 2.0

MOST DE-MOTIVATING FACTORS ACCORDING TO EMPLOYERS		MOST DE-MOTIVATING FACTORS ACCORDING TO EMPLOYEES	
Weak organisational culture and leadership	33%	Poor salary and lack of incentives	24%
Poor salary and lack of incentives	21%	Uninteresting work	22%
No opportunities for career progression	19%	Weak organisational culture and leadership	18%
Poor work/life balance	11%	Poor work/life balance	16%
Lack of recognition and rewards	7%	No opportunities for career progression	9%
Uninteresting work	5%	No training opportunities	6%
No training opportunities	4%	Lack of recognition and rewards	5%

These findings indicate that employers may not fully understand what makes their staff unhappy, despite 64% having surveyed employees' motivation levels. This suggests that efforts to survey and understand employees' attitudes should take into account de-motivating factors as well as motivating factors.

Employees were also asked to provide suggestions on how employers could better motivate staff. The most common suggestions related to improving communication, management and culture; some of these are highlighted below.

- “Hold regular meetings to recognise and commend work done and to keep staff informed of upcoming interesting work”
- “Open the lines of communication and provide ongoing feedback on performance, also focus on career progression, mentoring and providing opportunities to succeed”
- “Create a more streamlined and transparent process for career progression, including having more open and honest discussions”
- “Keep staff informed of how the company plans to assist with career development”
- “Ensure that supervisors and management are fully on board and prepared to ‘walk the talk’ and support their employees, e.g. make sure that if you promote work/life balance, career opportunities, benefits, flexibility etc that this actually happens at the workplace”
- “Include each employee in major projects at least at some level to give them a sense of importance of their presence within the business and provide training and support for the project”

Nicholson says, “This feedback indicates that employers need to not only be alert to market rates and competitive forces; they also need to engage and communicate with high performing talent in order to retain their key employees.”

KEY CONSIDERATIONS FOR EMPLOYERS

Feedback received from candidates applying for roles through Robert Walters is consistent with these findings. According to candidate feedback and subsequent research undertaken, employers should focus on the following five key areas in order to improve staff motivation and retention.

1. Develop clearly-defined, personalised career planning strategies

- Have one-on-one discussions with employees to understand their career ambitions and identify any knowledge gaps that need to be filled.
- Implement career development plans that outline mini-goals, action points and timeframes for completion.
- Hold regular and open meetings with employees to review their progress.

2. Monitor market forces and salary ranges

- Be aware of market forces and salary ranges for roles to ensure that salaries are within competitive ranges. Resources such as Robert Walters' Salary Survey can help employers ensure they are paying at an appropriate level.

3. Improve communication with employees

- Conduct surveys and hold meetings with individuals and groups to gain insights into existing interaction and communication issues.
- Communicate goals and targets for the business.
- Provide regular, constructive feedback and ensure that employees feel listened to and supported.

4. Be open-minded and flexible regarding working arrangements

- Listen to employees' concerns about work/life balance.
- Where appropriate/possible offer flexible working arrangements such as working from home, reduced working hours, staggered start/finish times etc.

5. Offer interesting and challenging work

- Ensure employees are regularly given new work/challenges.
- Partner inexperienced/new employees with experienced staff on a project.

CONCLUSION

The Australian employment market will become increasingly candidate-driven throughout 2011, which will prompt greater numbers of professionals to seek new opportunities. Employers will need to place greater focus on motivating and communicating with key employees in order to retain their top talent.



ABOUT THE ROBERT WALTERS SPOTLIGHT SERIES

This whitepaper is the first in the Robert Walters Spotlight Series.

The Spotlight Series will feature a range of thought-leading whitepapers designed to help employers address talent management issues that have a critical impact on business performance.

CONTACT US

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