

REMUNERATION REVIEW

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SPECIAL NEW ZEALAND INSERT

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A REVIEW OF CURRENT REMUNERATION PRACTICES

CSi IN WELLINGTON

The New Zealand Remuneration Forum was held on September 16 at the Duxton Hotel, Wellington amidst a 20 year low in New Zealand unemployment figures and an employment market that economists would describe as close to 'full employment'.

"It was clear from discussion amongst attendees at the forum that the low unemployment rate is affecting all industries and job levels in New Zealand, particularly the housing and construction sector which is still riding high from the recent property boom," said CSi's Remuneration Specialist, Nick Woodward, who chaired the forum.

Attendees came from the broad range of IT Vendors, Telecommunications companies and other large corporate organisations. Nick Woodward presented the key trends to emerge from the most recent series of CSi surveys in New Zealand, including an analysis of the state of remuneration for IT specialists and employees within ICT organisations.

"Our results indicate a market that is gaining strong momentum," said Mr Woodward. "Whilst survey results are always retrospective, the key indicators are hinting towards an improving pay market and the progressive emergence of an employee's market."

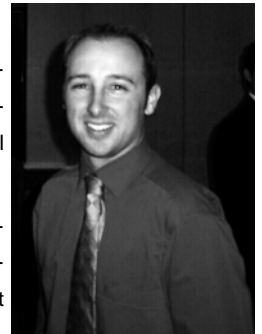
"Key survey indicators, including the same incumbent and survey-on-survey movements that track year on year increases in salaries, have climbed," explained Mr Woodward. "The voluntary staff attrition figure indicating the prevalence of employee initiated terminations, has bounced back from single digits to now hover at 12-13%. Such attrition figures indicate improving market confidence. This concept was supported by attendees at the forum, who provided strong anecdotal evidence of an impending skills shortage in the New Zealand IT market."

Attendees at the forum identified a most pronounced skills shortage within the software testing environment. In this space, anecdotal evidence suggests that there are some employees leaving permanent positions within their organisations to chase short term, lucrative contracts. This evidence points toward a reversal of the depressed IT contractors market.

An analysis performed by CSi for the forum indicated that salaries for support staff (HR/Marketing/Finance/Administration) remain higher in the ICT industry compared with the general market.

"Although a few tough years in the IT industry have eroded the gap between ICT industry and general industry pay for support staff, ICT vendors remain above average payers in general market terms," commented Mr Woodward. "However, with often limited budgets in the current environment, organisations are particularly focused on retention strategies and talent identification programs. Combating a tight labour market with a limited budget requires creative, non-financial programs."

CSi would like to thank all attendees for their participation in the New Zealand Remuneration Forum.



*Nick Woodward, CSi's
Remuneration Specialist
at the NZ Remuneration
Forum.*

CSi – Your Remuneration Specialists.



NON-FINANCIAL REWARDS IN THE PUBLIC SECTOR

Sixty-seven percent (%) of Local Government organisations provide non-financial rewards to more than 75% of their total staff according to the latest *Remuneration Report for the Local Government Sector* produced by Watson Wyatt Worldwide.

The most prevalent type of non-financial reward offered by these organisations is car parking for senior executives and general staff (92% and 75% of organisations respectively).

Wellness programs, challenging work assignments and comprehensive training programs are the next most common non-financial rewards offered to senior executives (50% of organisations). Comprehensive training programs and flexible work schedules are the next most prevalent non-financial rewards offered to general staff (67% of organisations).

Job share opportunities, wellness programs, a family friendly work environment, and challenging work assignments are also commonly provided non-financial rewards for general staff (58%, 50% and 50% of organisations respectively).

Source: Remuneration Report for the Local Government sector - published by Watson Wyatt Worldwide. For more information, contact Brent Miller - brent.miller@watsonwyatt.com

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HIRING INTENTIONS - POSITIVE

The Hudson Report (July - December 2004) shows positive employment expectations. Almost fifty per cent (48.8%) of 1,848 employers indicated an intention to increase staff numbers over the coming six months, compared with 7.1% anticipating a reduction in current staffing levels.

Sector	% employers creating new jobs
Professional Services	55.0
Construction/Property/Engineering	51.0
Government	44.0
Information Technology	56.0
Retail	44.0
Financial Services/Insurance	41.0
Education	46.0
Advertising/Marketing/Media	34.0
Telecommunications	75.0
Transport	45.0

JOB VACANCY TRENDS

The Job Vacancy Monitor (JVM)* analyses job ads published in fourteen major newspapers and on selected websites. JVM trends for the September 03-04 period include:

- The Skilled Vacancy Index increased by 8%; the Highly Skilled Vacancy Index rose by 14%; and the IT Vacancy Index grew by 81%;
- "Advertised job vacancy levels remained high in September which suggests that skill shortages are continuing to deepen";
- "Overall growth (of the IT Vacancy Index) has been particularly impressive since the beginning of 2004 with the index rising by 110% between January and September 2004."

*Source: Job Vacancy Monitor - September 2004 - www.dol.govt.nz/publications/jvm

HR SPOTLIGHT

Helen Comerford

Remuneration Coordinator - Beca



Helen Comerford combines a remuneration role in a consulting engineering organisation, with postgraduate studies in Business Administration, and a busy social life. We caught up with Helen and discussed life inside and outside of work.

What is your work/life philosophy?

I am a firm believer that things happen for a reason and I try to follow the philosophy of "What will be, will be". I aim to be the best that I can and that as long as I am giving it everything then I am giving it my best!

What is the most important remuneration situation you've had to deal with?

We are trying to be more transparent with our remuneration philosophy and I am currently working with my Managing Director and General Manager on the communication of this philosophy. Remuneration is obviously a key component and we need to be able to articulate what we are offering as consistently as is possible, and in the best possible light.

Describe your career to date.

I have been thrown in the "deep end" and with management's support I have really thrived in facing many challenges. I've been given the opportunity to learn and develop.

How do you spend your time outside of work?

Out of work I love socialising with friends and actively participate in a number of social activities both work and non-work related. Anyone can tell you that I love food and dining out, it's always easy to twist my arm!

How have you used CSi in the past 12 months and for what reason?

We use CSi to provide market information for our NZ remuneration in our Business Technology department. We also participate in the Association of Consulting Engineers Australia Salary Survey for our Australian operation.

Helen is tertiary qualified with a Bachelor of Arts in Geography, and a Graduate Diploma in Business Studies (Communication Management). She is also two papers off a Post Graduate Diploma in Business Administration.

