

# Human Resources

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## IR changes a HR balancing act

AS A RESULT of the Federal Government's planned industrial relations changes, a major challenge for HR professionals will be maintaining the trust and confidence of employees who may be concerned about employers seeking to use the changes to undermine terms and conditions in their workplace.

"In some industries, there will be an important role for HR in countering negative messages from the union movement about the reforms," said Jennie Mansfield, senior associate, Blake Dawson Waldron.

"Often, those messages won't reflect the company's position and could destabilise the positive relationships that many HR practitioners have spent years fostering with employees within their businesses."

The positive message to convey to staff, according to Mansfield, is that the changes can open up flexibilities which will benefit both employer and employee by providing more choice about employment arrangements.

"While unions will be demanding undertakings that current terms and conditions will be preserved, HR practitioners will need to take care that negotiations in anticipation of the reforms don't restrict the company from pursuing those changes which will be of genuine benefit."

Line managers will also need to be convinced about the bottom-line benefits of moving away from long-enshrined arrangements, she said.

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### CEOs lament retention woes

ALTHOUGH RETENTION is viewed a critical issue in Australian organisations, two thirds do not have formal employee retention programs while just 40 per cent employ someone to look after retaining talented staff.

A survey of 282 GMs, CEOs, HR and other line managers found that while more than 80 per cent now rate employee retention of high importance to the business, their

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## HR winning the salary race

By Melinda Finch

HR PROFESSIONALS have streaked ahead of their sales, marketing, finance, IT, manufacturing and logistics colleagues to receive the biggest salary increase in the last year.

A study of nearly 52,000 employees from 394 Australian organisations revealed that salaries for all employees increased by 5.7 per cent on average over the period June 2004 to June 2005.

For HR professionals the average salary increase was 7.2 per cent and for

senior executive staff, the increase stood at 7.1 per cent.

"HR salaries across the board have been commanding good increases over the past 24 months. This may be a reflection of the continuing importance of HR as companies combat a range of problematic issues, such as work/life balance, industrial reform, total rewards and recruitment and retention of key roles," said Andrew White, Sydney practice lead for remuneration firm CSI, which conducted the study.

It also analysed differences in salary

increases across various industry sectors and found the banking and finance sectors were the most generous.

Average salary increases in this sector were 6.9 per cent. The transport and shipping sector awarded the lowest increases of 4.3 per cent on average.

"These results are also linked to the pressure on CEO's to maintain profitability," said CSI's COO, Jairus Ashworth.

"Greater levels of profitability amongst organisations in the banking

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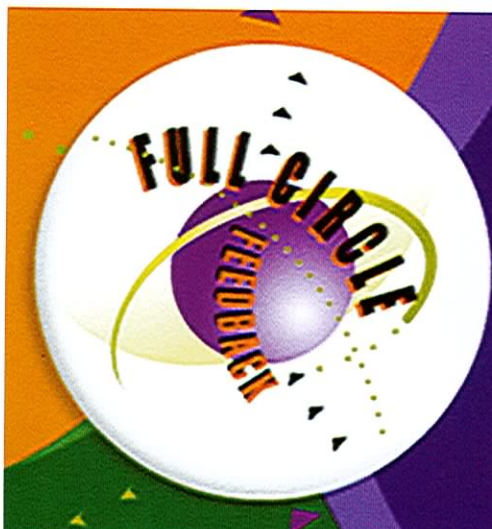
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## HR winning the salary race

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and finance sectors means that a larger pool of funds can be allocated to increasing incumbent employees' salaries without detrimentally influencing financial results."

From a geographic point of view HR professionals in New South Wales and Victoria were paid slightly higher.

"Most companies are opting for a national pay approach, particularly with the transient nature of our workforces and the administration involved in paying regionally," White said.

"However, this needs to be weighed up carefully against the market availability of roles, particularly HR ones, the candidates for which are quite specialised and may not be readily available in the market."

Those awarded the lowest salary increases were employees performing logistics roles and those employed within the IT function of businesses.

"My experience in recent times is that CEOs are under immense pressure to maintain profitability. As a result, salary

budgets are being strictly adhered to and spending on salaries for incumbent employees is being closely monitored and controlled."

The report indicated that employees at the graduate or entry level and employees within the various levels of management were the more likely recipients of higher salary increases when contrasted with the increases reported for employees at the intermediate to specialists (non-management) levels of organisations.

Graduate salaries increased by an average 6.5 per cent. The salary increases for various levels of management ranged from 5.9 to 7.3 per cent, while increases for intermediate to specialist staff ranged from 5.3 to 6.0 per cent.

"Despite talk of pressure on salaries and skills shortages, our figures are not surprising," said Ashworth.

"The impact of these results is that the days of 'across the board' salary increases are becoming extinct."

Market remuneration data for HR roles within Australian organisations

Position Title	Total Fixed Remuneration (TFR)		Total Remuneration Cost (TRC)	
	Average Cost	Median (Middle of Market)	Average Cost	Median (Middle of Market)
Human Resources Manager - Generalist	\$120,157	\$115,881	\$129,507	\$126,000
Human Resources Manager - Specialist (in a particular area of HR eg: remuneration & benefits)	\$126,292	\$123,941	\$136,726	\$132,621
Senior Human Resources Officer/HR Consultant - Generalist	\$80,306	\$79,516	\$84,053	\$83,630
Senior Human Resources Officer/HR Consultant - Specialist (in a particular area of HR eg: remuneration & benefits)	\$82,469	\$81,517	\$84,956	\$81,517
Human Resources Officer	\$61,428	\$59,500	\$63,029	\$61,000
Learning & Development Manager	\$107,991	\$103,681	\$114,929	\$108,979
Senior Learning & Development Officer/Consultant	\$80,688	\$79,084	\$83,938	\$80,640
Learning & Development Officer	\$59,400	\$58,921	\$61,410	\$61,258
Industrial Relations Manager	\$144,784	\$146,885	\$161,581	\$167,198
Human Resources Administration Officer	\$56,988	\$49,344	\$58,480	\$51,337

Source: The Australian top executive remuneration report - July 2005, CSI



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