

The business context:

Change is the new normal

Organisations are under pressure from both internal and external factors, according to data from a Hudson survey of employers in Australia.

Employers name their **top 5 challenges** for:



The business

- 1 Increased customer demands
- 2 Improving the digital customer experience
- 3 Compliance/regulation burdens
- 4 Economic uncertainty
- 5 Increasing speed to market of new products and services

The need to move faster

Across Australia, employers nominated that the main challenges for their organisations are driven by customers. In a digitally connected world, customers demand more immediacy and personalisation. In supply chain and procurement, customer demands are increasingly driving home the importance of optimised supply chain solutions. This has never been more evident than in remote, cost intensive industries such as mining, oil and gas, and construction. If a supplier can guarantee getting products to the customer faster and more reliably than a competitor, they will retain that business.

Technology changes

Organisations are undergoing major transformations to optimise their supply chains, including upgrades to all aspects of warehousing and IT systems upgrades — especially ERP and cloud solutions. Supply chain and logistics businesses must now also be able to capture, analyse and process data from a variety of channels to provide insights for their customers. This data could be anything from tracking products in transit all the way through to highlighting trends around buying patterns in relation to commodity prices.

Hudson research Nov 2016: employers, Australia

The workplace

- 1 Organisation or team restructures
- 2 Cultural transformation
- 3 Budget cuts
- 4 Implementing new technology platforms
- 5 New approaches to managing projects, eg Agile

Workplaces in transformation

Organisations are responding to the changing environment by restructuring their teams and transforming their cultures to be more responsive and customer-centric. Procurement professionals are finding that they must define their value to a business — rather than be defined as a cost. When able to communicate their own value proposition, CPOs are leading organisational change by integrating and aligning their suppliers' values and capabilities with the organisation's strategic objectives.

With employers under pressure to manage through change, **hiring is an opportunity** to bring in people with a positive and adaptable mindset.

The team

- 1 Upskilling staff
- 2 Keeping employees engaged and motivated
- 3 Helping staff adapt to change
- 4 Improving employee performance
- 5 Retaining top performing staff

Responding to change

In the context of changing workplaces, getting the right people for the job can be difficult. Employers are looking for those standout candidates who have the right technical skillset, cultural fit and soft skills. As new processes get implemented, teams need to be capable of adapting to change and thriving in a changing environment.

Keeping spirits up

In the midst of change, employees can become frustrated and disengaged. In some markets, lack of resources and financial constraints are adding to pressure to supply chain and procurement employees, who are working at full capacity with little support. As their organisation shifts around them, employers have the responsibility to keep their staff engaged and motivated — or risk losing their best people.

The demand for talent: Hiring intentions remain strong

Australian permanent hiring expectations: net effect (%)



For the last 10 years, Hudson has taken the pulse on employers' intention to hire. In H1 2017, the net effect has dipped slightly compared to H2 2016, during a period in which economic growth slowed in Australia.

Hudson's research was undertaken shortly before the Australian Bureau of Statistics released September quarter gross domestic product (GDP) figures, showing a surprising 0.5% contraction in the economy, driven largely by a decline in business investment.¹

The Hudson data correlates with the subdued business conditions² experienced by employers in the second half of 2016, easing from a peak in May, and a dip in consumer confidence in the second half of 2016.³

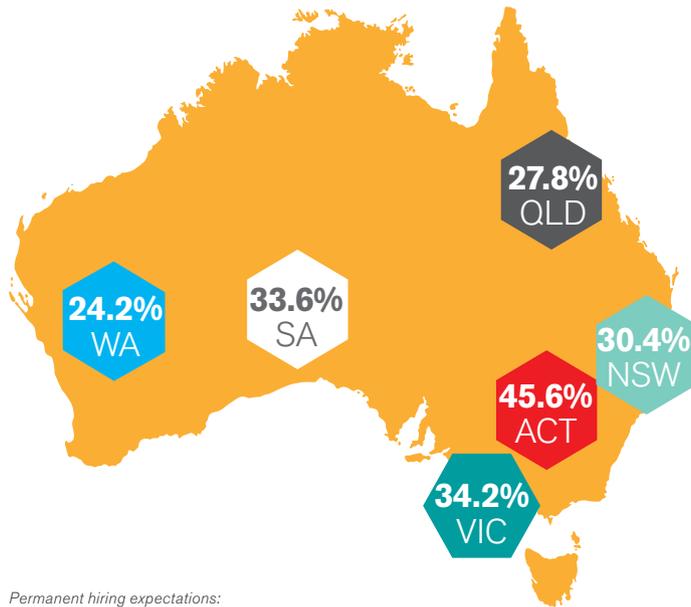
Despite the recent slowdown, the NAB Monthly Business Survey shows that business conditions remain above average levels⁴. Overall hiring intentions remain strong and are still higher than during 2012-2015.

¹ Australian National Accounts: National Income, Expenditure and Product, Sep 2016, Australian Bureau of Statistics

^{2,3} NAB Monthly Business Survey, October 2016

⁴ Westpac Melbourne Institute Index of Consumer Sentiment, December 2016

ACT tops hiring activity



*Permanent hiring expectations:
% of employers increasing headcount by region.*

The ACT continues to lead Australia in terms of hiring growth, not only in the public sector but in private sectors as well.

The jobs markets in WA, QLD and SA have improved from recent periods as they recover from a tough year in 2015 impacted by the resources downturn, while NSW and VIC continue to have strong demand for new hires.



Australian hiring intentions remain strong, however economic growth will be watched closely by employers as they plan their teams in 2017.



Dean Davidson

Executive General Manager —
Recruitment Australia & NZ

Planning for your team: Feeling the talent pinch

Employers are looking for people with the right technical and soft skills, as well as cultural fit for their team. How hard is it to find the talent that you need?

88% of **Australian employers** are looking to increase or maintain headcount

but



more than
1 in 4

say it's **harder or much harder to find top talent** now than it was a year ago

Main hiring challenges

- 1 Finding candidates with the right **cultural fit** for your team
- 2 Finding candidates with the **right technical skills**
- 3 Finding candidates with the **relevant soft skills**
- 4 Getting **budget approval** for a new/replacement role
- 5 **Assessing likelihood of success** in a role

Top 5 in demand:



Roles

Category Manager

ERP Implementation Project Manager

Contracts Analyst

Procurement Officer

Quality Manager



Technical skills

Project management

Systems integration

Data capture

Data analysis

Strategic sourcing



Soft skills

Driving and managing change

Innovative thinking

Resilience

Stakeholder engagement

Critical thinking

Talent shortage

In the supply chain and procurement field, we're seeing a shortage of talent in several specific areas, including project managers with experience in supply chain optimisation, ERP and cloud specialists, data capture specialists and analytical professionals with a track record of improving data-driven decision making.

Meanwhile, a number of Australian professionals have relocated overseas to take on large scale procurement roles. To avoid this leak to overseas markets, Australian organisations will need to work hard to offer the right mix of challenges, career opportunities, remuneration and benefits to the best people.

Hiring prospects mixed

Within supply chain and procurement, although many still intend to hire, some employers aren't hiring due to economic influences from the decline of the mining, oil and gas industry in WA and Qld, and in SA, a current lack of new projects in the design stage. However, urban infrastructure projects in NSW and Vic are creating new opportunities for senior supply chain and procurement professionals.

Demand for data experience leads to competition

As organisations become more complex and data has more influence on the way decisions are made, we expect a high demand for data and analytical professionals across a number of sectors, including finance, banking, consulting and government. The challenge for the supply chain and procurement sector will be to communicate its value proposition to attract and retain the top talent.

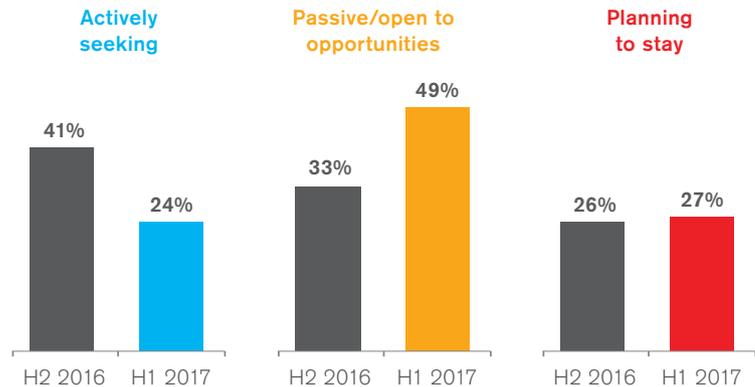
Beyond the job ad: Winning strategies to source today's best talent

There's been a significant shift from Australian professionals who considered themselves to be active job seekers to those who are passive job seekers and consider themselves open to new opportunities.

Within procurement, the smaller number of active job seekers could be as a result of the recruitment drive over the last several years for professionals to reassess supplier relationships, and this work is now slowing down. Employees will stay with current employers unless approached with a strong offer.

This signals a shift happening in the way that employers should approach sourcing top talent. They need to look beyond reactive job ads to get the best candidates in the market, not just the best available at the time.

49% of professionals are **open to new opportunities**



A large number of potential hires might be interested in a role but aren't **actively looking** for jobs.

Strategic sourcing for the best talent

1. Plan ahead

Successful sourcing is built on knowing the roles you need, the talent you want and when you'll need it. Identify business critical and hard-to-fill roles, plus roles with high turnover.

2. Know who you want

Develop a profile of the people you need, starting with their skills, competencies and experience. Then look beyond technical knowledge to consider motivations and cultural fit.

3. Be where your talent is

There's an abundance of sourcing channels – blogs, SEO, events, referrals, networking, associations, LinkedIn, video, traditional media, online advertising, job boards, databases – and your next great candidate could be attracted through any of them. They could even be already within your organisation.

4. Sell a compelling employee value proposition (EVP)

Understand what your target audience wants, then create an appealing employment offering that engages candidates throughout the hiring process. With job interviews an increasingly two-way street, candidates care about issues like social responsibility, flexible work options, diversity and corporate culture.

5. Access a talent pool

Having ready access to a pool of qualified candidates will maximise your chances of finding top talent quickly when roles become available.



Attracting talent: What are job seekers looking for?

Hudson's research shows that most employees surveyed in Australia are most attracted to roles in companies where the work environment suits them, with enough flexibility for a good work/life balance and challenges to keep them motivated.

What attracts job seekers to a company



Ensure you have a compelling EVP

Be clear about your employee value proposition. Only a compelling offer will lure top talent. If you can't offer the best salaries, ensure you have a compelling narrative about why people would want to work at your organisation.

Just like employers look for good cultural fit, candidates are looking for a **work environment** that suits them.

Hudson candidate engagement research, 2016, Australia

Nurturing potential hires: Personalised communication is key

Continuous engagement is essential to developing a relationship with a potential hire, even when a role is not yet available. When asked which channels were the most effective for engaging their interest, Australian professionals showed clear preferences.

The best methods of continually engaging with prospective candidates:



92%
via phone call

49%
via LinkedIn
InMail

91%
via personalised
email

42%
via company
website

Professionals don't want you to reinvent the wheel when it comes to contacting them. Overwhelmingly, they prefer the tried and true methods of **phone** and **email**.

Maintaining good relationships

Ensure you provide a **personalised, positive and consistent** experience for candidates, from the point of initially engaging with them right through to the job offer.

Hudson candidate engagement research, 2016, Australia

The hiring process: A crucial factor in securing top talent

A good quality hiring process is a chance to demonstrate your employee value proposition and is fundamental to a strong employer brand. If it's a disorganised or disengaging process, candidates will assume that it reflects the workplace and steer clear.

86%

of Australian professionals believe that the experience with an organisation's **job application and interview process** is important when deciding to join a company



The top 5 important aspects during the application and interview experience

- 1 Understanding the details of the **position requirements**
- 2 **Ongoing communication** about application status
- 3 A **reasonable time frame** for a final decision
- 4 **Ease of application submission**
- 5 Knowing the **next steps** in the process

Hudson candidate engagement research, 2016, Australia

Remuneration: Underpaid and underappreciated?

Getting salary right is an essential part of the equation for hiring managers as they cope with the challenge of engaging and motivating employees. This may be particularly challenging in the context of record low wages growth in Australia.¹ If people are feeling underpaid, they may also be feeling underappreciated. The answer? Communication and transparency.

42% of employees surveyed
**feel they
are underpaid**

How much has your base salary
increased by in 2016?

48% received
no increase

Of those who received an increase,

74% received an
increase of 1-5%

Hudson research Nov 2016: employees, Australia

Ensuring salary satisfaction

Refer to **up-to-date salary data** and **clearly communicate** that when making a salary offer to ensure continued engagement and job satisfaction.

Alternatives to pay rises

Employees say they would be willing to swap a pay rise for:

1. More annual leave
2. Bonuses and incentives
3. Flexible work conditions

The Hudson Report: Forward Focus 2016

Salary guide: Supply Chain & Procurement

Permanent Roles - Annual base salary 2017 AUD '000

	Melbourne	Adelaide	Perth
Supply Chain			
Supply Chain Manager	120 - 200	100 - 150	100 - 150
Materials Manager	110 - 120	100 - 130	120 - 130
Supply Planner	65 - 110	70 - 80	70 - 100
Supply Chain Analyst	70 - 100	70 - 90	90 - 100
Supply Analyst	65 - 90	70 - 100	70 - 100
Supply/Demand Planner	75 - 125	60 - 80	70 - 120
Procurement			
Chief Procurement Officer/GM	200 - 250	180 - 250	200 - 250
Procurement Manager	130 - 200	120 - 180	130 - 200
Category Manager	100 - 165	120 - 180	120 - 180
Strategic Sourcing Manager	115 - 140	120 - 160	120 - 160
Procurement Support	50 - 70	60 - 70	70 - 80
Procurement Analyst	70 - 100	80 - 110	80 - 110
Procurement Officer/Clerk	60 - 80	60 - 100	55 - 110
Project Procurement Manager	130 - 165	150 - 180	150 - 180
Purchasing Officer	55 - 80	55 - 75	65 - 80
Purchasing Manager	70 - 130	70 - 100	70 - 120
Junior Buyer	50 - 65	50 - 70	55 - 70
Buyer	80 - 110	80 - 110	80 - 110
Lead Buyer	120 - 150	130 - 150	120 - 150

	Melbourne	Adelaide	Perth
Logistics			
Logistics Manager	90 - 120	90 - 130	90 - 130
Warehouse Manager	85 - 120	80 - 100	90 - 110
Transport Manager	75 - 100	80 - 100	80 - 120
Transport Scheduler	60 - 90	60 - 80	70 - 90
Logistics Coordinator	55 - 80	60 - 80	60 - 80
Customs Broker	65 - 120	60 - 80	70 - 80
Warehouse Supervisor	60 - 100	65 - 90	60 - 80
Logistics Officer	70 - 110	60 - 100	65 - 110
Contracts			
Commercial Manager	150 - 200	150 - 200	150 - 180
Contracts Administrator	80 - 120	80 - 120	120 - 150
Contracts Manager	120 - 180	120 - 160	130 - 180
Claims Specialist	120 - 160	120 - 140	120 - 160
Manufacturing/Operations			
Operations Manager	100 - 150	90 - 130	90 - 130
Demand Planner	65 - 90	80 - 90	80 - 90
Demand Manager	80 - 120	80 - 110	80 - 110
Production Manager	100 - 150	70 - 120	120 - 140
Production Planner	65 - 90	60 - 80	70 - 90
Quality Specialist	70 - 100	60 - 75	80 - 100
Process Improvement	80 - 120	80 - 120	80 - 120

This salary guide is a compilation of salary and market information provided by Hudson consultants, clients, candidates and other sources across Australia. Information was gathered by drawing on the extensive knowledge of our specialist recruitment consultants across Hudson's specialist practice groups. Salary ranges are approximate guides only. They relate to base salaries and exclude superannuation/bonuses/incentive schemes/stock options.

Methodology

Hudson undertook quantitative research with hiring managers and employees across Australia to analyse the talent landscape and provide insights on what employers might expect in 2017 and beyond.

We canvassed the views of 3,754 Australian employers and employees in November 2016. From these findings we developed this report — a combination of the survey findings and Hudson's specialist insights on the hiring landscape.

We have also included data and insights from Hudson quantitative and qualitative research of 3,555 candidates from the Asia Pacific region undertaken in H1 2016 to better understand the way that job seekers engage with recruiters and the job selection process.

Percentages don't always total 100% as respondents could select more than one option for certain questions.

Hudson Supply Chain & Procurement

Hudson's specialist recruitment consultants have the in-depth market knowledge of salaries, job titles and hiring trends to ensure you achieve the best outcome for your organisation at the appropriate remuneration.

We build highly nurtured and engaged pools of select talent so you can find the right person quickly. This means greater speed and precision in placements, and higher satisfaction for both clients and candidates.

Our proprietary assessment tools and techniques will help you find candidates with the right technical skills and capabilities for the role and for your team, so you can achieve higher performance and superior business results.

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