

2021

Talent Acquisition Guide



Introduction

The retention of staff has always been a critical success measure for organisations across Australia and New Zealand. In today's COVID-19 impacted employment market, the pressure to retain your best talent has never been greater.

Organisations are facing the perfect storm; the lowest unemployment rate in decades and a lack of skilled migrants entering the labour force.

This combination is putting enormous pressure on organisations and their management teams to identify the key factors that will help them to retain their top talent and ensure they can maintain productivity and success through a challenging health and economic cycle.

When staff leave an organisation, it creates more than a temporary gap in the workforce.

In 2021, the IML ANZ National Salary Survey (NSS) identified that the disruption to the workforce costs businesses an average of **\$21,807 to replace each employee who decides to leave**. This is made up of a number of factors we discuss later in the report.

Among those who move on, our data identified the top three reasons for leaving as:

- Seeking a new challenge
- Limited career advancement opportunities
- Insufficient financial reward



So, how can you reduce staff turnover in your organisation?

How do you bolster your retention efforts and ensure your best people don't walk away so easily?

It's vital that you base your plans on evidence and reliable data that informs you on how to attract, hire, and retain the right talent. The IML ANZ research team have prepared this resource to help businesses create a roadmap for staff retention based on the 2021 National Salary Survey (NSS) results.

This retention guide highlights three crucial areas that you must address to win the war on talent.

These include:

- 1** Hiring the right talent
- 2** Building a compelling benefits scheme
- 3** Creating a development culture

We'll walk you through each of these three elements and identify the steps you can take to reach your staff retention goals.



Hiring the right talent

Recruitment is complex. In fact, attracting talent and hiring new staff is consistently considered one of the highest risk activities to a company's success according to businesses we've surveyed (**43% in 2021**). After all, recruiting the wrong person for the job could lead to inefficiencies, poor performance, reduced team morale and, ultimately, if the new hire needs replacing, could cost the business a lot of money.

Not only are companies worried about the risk of poor hiring, but finding the right person is also proving difficult.

In the 2021 NSS, **51% of organisations reported that recruiting is more demanding due to the current skills shortage.**

That's why a strong staff retention strategy starts when you hire. Finding the right person for the job from the get-go helps you avoid the problems that come with poor hiring, and can help ensure your new hire becomes a loyal and engaged staff member for the long term.



51% of businesses struggle to find the right talent

2021 National Salary Survey





For 43% of businesses, being unable to attract capable people and hire new staff is the biggest risk to a company's success

2021 National Salary Survey



3 steps to hiring the right talent

1 Identify the skills required

Set a clear expectation on job requirements and ensure candidates fully understand this. Be as descriptive as possible when creating job ads or position descriptions.

2 Converse openly at interviews

Ask pertinent questions, such as the candidate's expectations around flexibility and career progression. The candidate's goals and values should match your needs. From the first interview, be clear on your offer so you can attract the person who'll find the best value in it and one who'll be willing to stick around.

3 Benchmark salaries accurately

The right pay attracts high-calibre candidates. Find out the average salaries for the industry, location, and role to offer a competitive salary. Also, plan ahead and budget for what the role should pay as the person progresses and develops in it.

Building a compelling benefits scheme

A resilient staff retention strategy anticipates what the future workforce looks like. It ensures you're ready to respond quickly to changes in labour market demands.

As Millennials and Gen Z begin to make up a large percentage of the workforce, it's essential to understand what keeps them engaged within the workforce.

According to the Deloitte Global 2021 Millennial and Gen Z survey, 31% of Millennials and 35% of Gen Z took time off work due to stress or anxiety.

For this group, flexibility in the workplace and mental health support are two of the top three characteristics they look for in a business.

Many organisations have recognised these demands with a 35% increase in mental health support being offered by employers to their staff over the past 12 months. With these insights, three benefits stand out as the way to attract and retain staff:

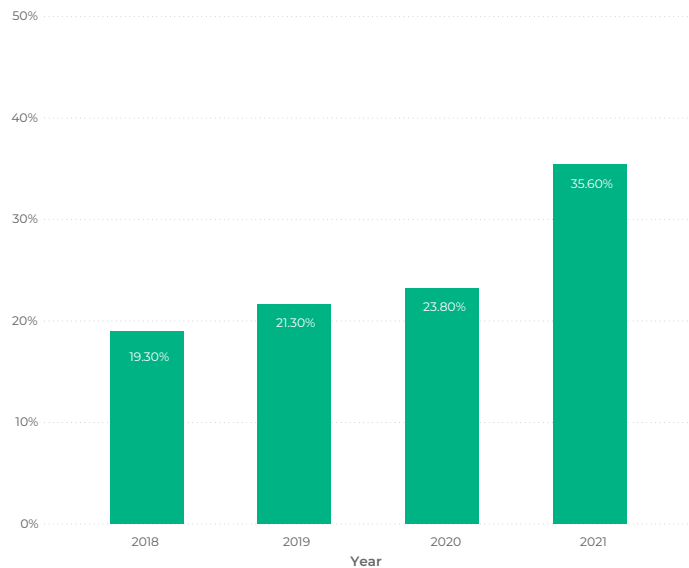


Figure 1: Increase in organisations offering a mental health policy to staff (Source: 2021 National Salary Survey)

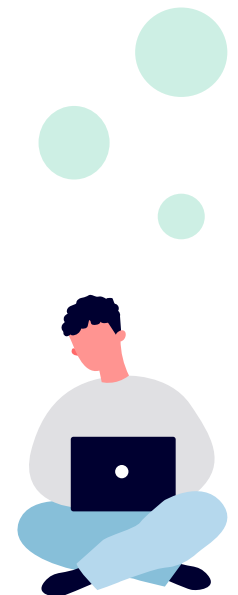


Figure 2:

Desire for 'Flexible work hours'
(Source: 2021 National Salary Survey)

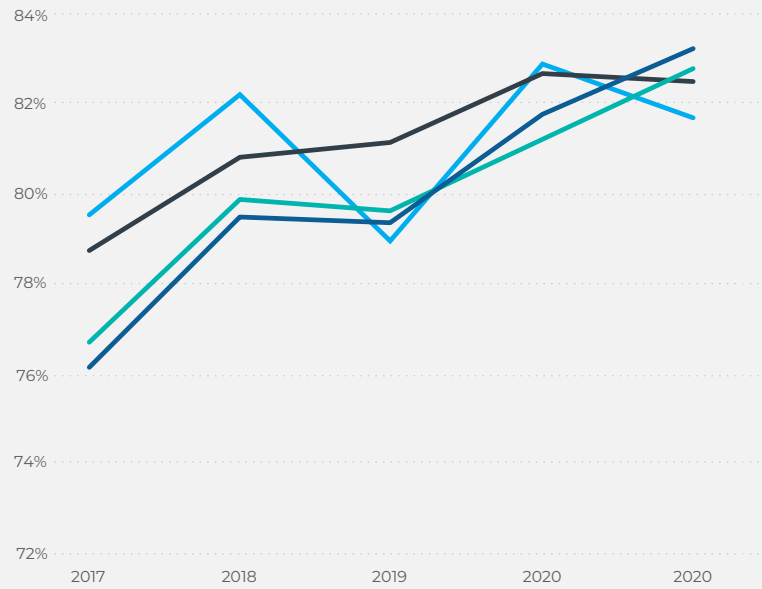
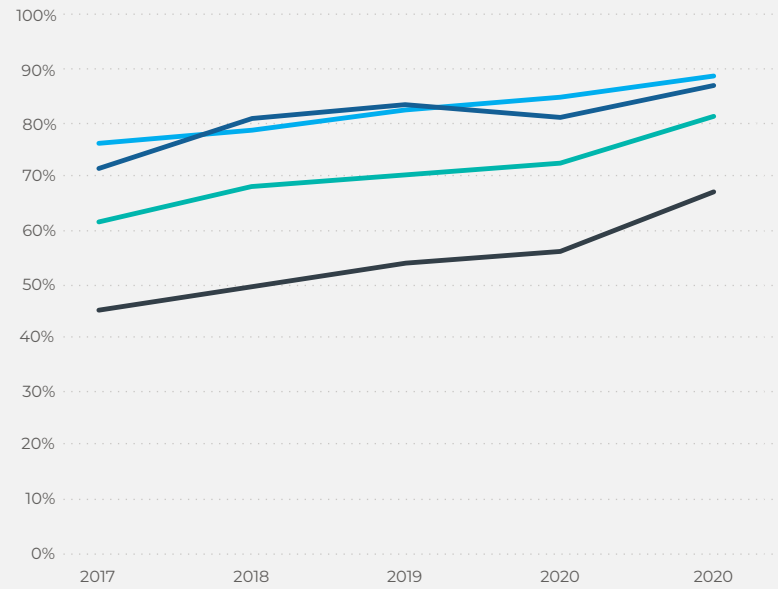


Figure 3:

Ability to work from home
(Source: 2021 National Salary Survey)



● Senior Exec

● Senior Management

● Other Management

● Salaried Staff





3 of the best benefits

1 Provide flexible working options

As *figures 2* and *3* from the 2021 NSS shows, demand for flexible work has grown across different role levels over the last five years. With many organisations offering flexible hours and work from home arrangements, employees will undoubtedly come to expect businesses to offer this benefit.

2 Take a stand for a worthy cause

Pick a cause that resonates and is relatable with your brand and communicate the importance of this cause to potential and existing employees. This includes allowing staff time-off to volunteer or contribute a donation to the cause. In the past few years, the NSS has seen an increase in organisations that have a corporate social responsibility (CSR) policy in place (56% in 2019 and 64% in 2021).

3 Create workplace mental health policies

Supporting the mental health of your people is a great way to invest in them. As you can see in *figure 1*, over the last few years, more companies realise this and now offer mental health policies.

Creating a development culture

Standing still isn't great for either your business or staff. Remember, two of the reasons most staff leave is a lack of career progression and development opportunities.

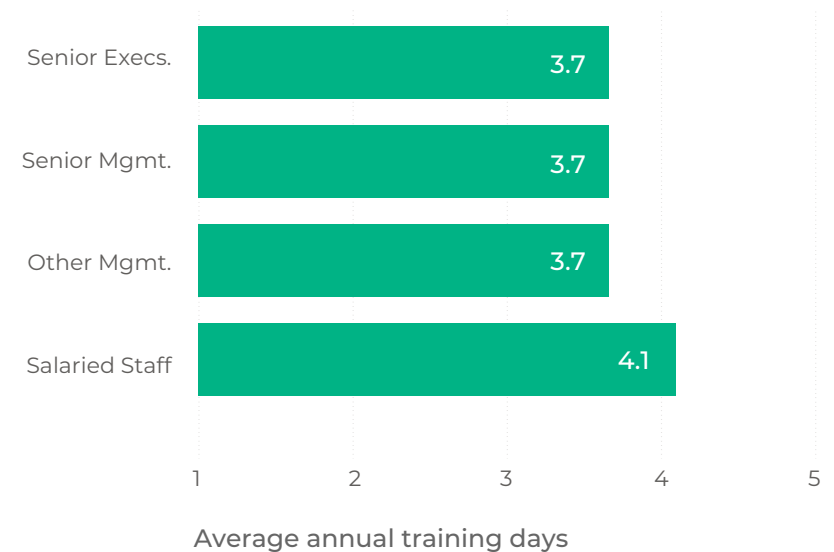
Creating opportunities for learning and development and linking them to career progression is critical for an engaged workforce. Ongoing technical skills development is a smaller factor in today's workforce as many employees enter the workforce already highly trained. The majority of your learning and development effort should be placed on the expansion of enterprise skills or 'soft skills' within the workforce.

These are the skills of the future that have the largest single impact on workplace productivity, engagement and success.

Nurture a workplace culture of skills development, improvement, and growth to keep your best staff motivated and engaged. You'll be putting yourself ahead of other companies too, since less than half of the organisations we surveyed even have a training policy in place. Plus, supporting development can lead to improved performance and confidence among your staff. They will, in turn, be more willing to tackle challenges and pursue career progression within your company.

Figure 4:

Average number of training days provided to staff annually (Source: 2021 National Salary Survey)



To create the right development opportunities, take these steps:

3 ways to nurture learning and development

1 Onboard your new staff properly

This is your opportunity to set the tone of mutual growth. Take the time to fully equip your new hires with the tools and information they need to carry out their role effectively. And be ready to upskill your new team members as required.

2 Review staff needs often

It's vital to address any knowledge or skill gaps as their roles will undoubtedly mature and evolve to meet their skill level and your business needs.

3 Set out career progression paths

The NSS reveals how much training time companies provide their employees (*see figure 4*). More important than time is outcomes. Make sure you clearly align your desired training and development goals to a career progression plan for each employee.

This ensures there is accountability for that learner, and that there is a pathway for progression within the organisation based on their upskilling.



Setting the right staff retention strategy starts with the right data

Attracting and retaining quality talent depends on making informed decisions backed by trustworthy information about the market.

Most of the data and insights from this resource were taken from reliable Australian remuneration data from the National Salary Survey (NSS).

What sets the NSS apart?



Reliable salary data

Advising businesses for over 57 years, the NSS supplies market salary data representing 14,000 employees across 18 industries so you can make informed decisions.



Accessible when you need it

Receive your report in print and analyse data through our interactive online portal available wherever and whenever you need it.



Customisable reports

Filter our data by company annual turnover, number of employees, regional and metro locations and industry.



Comprehensive information

The NSS provides position descriptions, engagement and benefits reports, trends and forecasts to help you design a holistic HR strategy.



Find out more:

[Download the sample NSS report](#)

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Contact us

Interested in obtaining the National Salary Survey,
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