



## Are you reaching the Passive Candidate!

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### **The Talent Shortage**

**80% of CEO's rated recruiting and retaining skilled employees as the No1 challenge for business in Australia (AHRI study).**

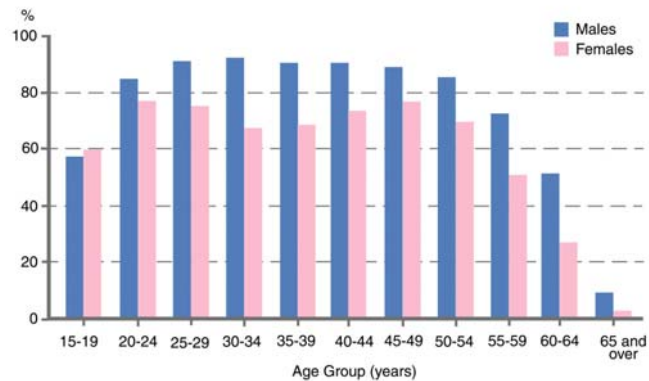
Unemployment is circa 5% with recent studies predicting that the changing demographics of the Australian workforce will exacerbate this situation. The statics are overwhelmingly clear, there are just not enough Generation X's and Y's to take the place of the Baby Boomers that are leaving the workforce.

### **Chart 1: Generation Classification - Updated**

GENERATION	BORN
Matures	1945 or earlier
Baby Boomers	1946 - 1964
Generation X	1965 - 1980
Generation Y	1981 - 2000
Generation Z	2001 - 2021

In 2003, close to a third (32%) of the workforce was aged 45-64 years, up from 24% in 1983. Between 2011 and 2030, the large generation born between 1945 and 1965 (known as the Baby Boomers) will be aged 65 years and over. Such a large number of people set to retire from Australia's workforce brings with it the possibility of significant labour shortages to meet future demands.

## Chart 2: Mature Age Workers



Source: ABS Labour Force Survey, November 2003

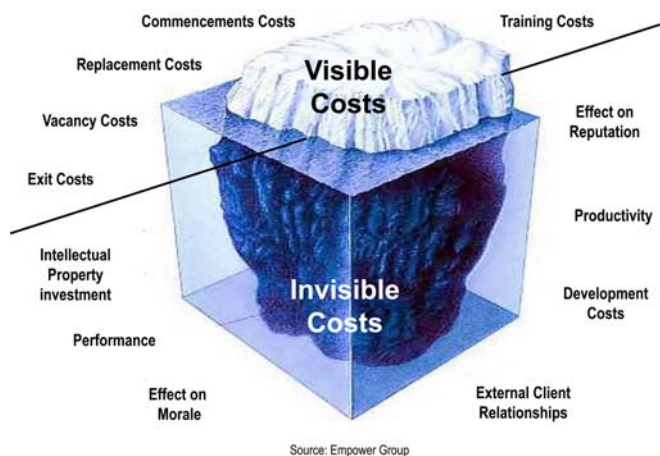
The loss of key talent poses a significant risk to business, with

**“Retention representing the highest Return on Investment of any Human Resource (HR) initiative!”** (US HR metrics guru, John Sullivan, 2004).

**“Turnover estimates are in the range of 0.5 to 2.5 times the employee’s salary.”** (Cascio, 1995; Saratoga Institute, 1999).

The following chart pictures turnover cost composition. Not all costs are immediately visible and can be easily overlooked when assessing the true impact of a departing employee.

## Chart 3: Turnover Cost Iceberg



Source: Empower Group

## What drives turnover costs?

- Selection and recruitment (15 to 30%);
- Loss of productivity (typically takes 6 months in a sales role to generate a positive contribution);
- Customer impacts (loss or damage - relationships biased towards the individual);
- Knowledge migration (loss of intellectual capital, competitive advantage & opportunities);

- Negative effect on the organisation’s reputation (share price);
- Negative morale among remaining employees;
- Training and development (most roles require company or product specific training); and
- Decrease in “bench strength”.

To address the demographic issue confronting organisations and assist employers assimilate and maximise the retention of key personnel ArduS has complimented its recruitment services to include a leading edge retention risk management program. In working with a client recently, we applied the workforce alignment program, with significant results.

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### **Client Corner – Caroma Industries Limited**

State Manager, Paul Carolan, Victoria

“As a newcomer to the company I discovered we had recently lost a number of good people and decided to get a better handle on our people issues. It was on this basis that I engaged ArduS Consulting Group to conduct a staged workforce alignment and retention risk program.

The program findings gave us very clear direction with the concepts being readily grasped by my management team. The process also provided a basis for constructive dialogue bringing management and employees closer together in achieving corporate goals.”

To learn more about retention and managing your human capital download a free whitepaper

[www.ardus.com/downloads](http://www.ardus.com/downloads)

As a complement to any workforce alignment and retention risk strategy it is necessary to ensure recruitment and selection procedures are also aligned.

### **Recruitment and Executive Search – Getting it Right**

Every journey starts with the first step and experience tells us that you must lay proper foundation stones for successful recruitment outcomes. An *accurate analysis, description and design of the job role is critical*. In a dynamic market place where there is strong focus on day to day issues this is easier said than done. A vacancy should provide a window of opportunity to assess the need for the position and / or its responsibilities.

Poor performance on the job is often attributed to the person in the job, however poor performance may be signalling a floor in the organisation’s strategy or the recruitment and selection processes. This makes it imperative that the organisation’s *focus, strategy and structure are an adaptive response to the environment in which the organisation operates*. Only then can the issues of staff numbers, responsibilities, competencies and performance be addressed effectively.

Once the strategic imperatives and priorities of the organisation and their implications vis-a-vie the job role are clearly understood then and only then should an organisation embark on the formulation of a recruitment campaign. Business pressures are often such that this is done on the run. Beware, if you make a decision in haste you repent at your leisure. Internal consistency with the strategic intent of the organisation is vital.

## Important Recruitment Campaign Considerations

Consideration should be given to all or a combination of the following elements of the position before embarking on a recruitment campaign, assuming the front end strategy is right:

1. The Position title;
2. Reports: Direct and Indirect;
3. Type: Permanent / Contract;
4. Reporting lines; vertical and horizontal;
5. Immediate superior and people relationships;
6. Brief job Statement (a couple of sentences) outlining the key focus of the job role;
7. Responsibilities (Key success factors / Must do's);
8. Essential and Desirable attributes for success;
9. Measures (KRA's, KPI's – Leading and Lagging);
10. Limits of authority;
11. Workplace Environment: Policies, Values, Culture, Conditions of Employment, Manager's Style, Other;
12. Technical Competencies: Skills, Work Experience, Demonstrated Behaviours;
13. Person Profile (Description): Presentation, Leadership qualities, Impact on Others, Attitude, Change Agent, Minder;
14. Knowledge, Qualifications;
15. Personality / Skills Testing;
16. Memberships;
17. Career Path, Likely next position and approximate time frame;
18. Induction Details;
19. Interview Process and Communication requirements;
20. Probationary Period (KPI's must be clearly understood with set review periods);
21. Pre-employment Medical if required – must be non-discriminatory;
22. Reference Checks (number and who to conduct);
23. Remuneration Package including Employee Benefits: (FBT, profit share, share options, staff discounts, subsidised loans, car-parking);
24. Recruitment Strategy: Campaign Details including timelines, Overseas / Interstate / Country Candidates; and
25. Relocation Policy.

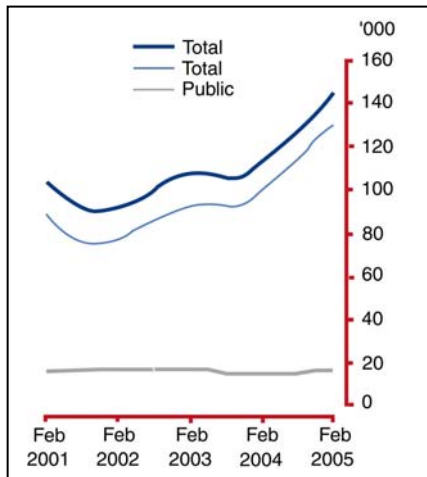
The list is not exhaustive and services as a guide only.

## Trivia - Job Vacancies

Source: Australian Bureau of Statistics

**Table 1. Key Figures – February 2005**

Trend estimates	Feb 2005	Nov 2004 to Feb 2005	Feb 2004 to Feb 2005
	'000	% change	% change
Private sector	129.5	6.0	30.6
Public sector	15.7	4.0	23.2
Private & public sectors	145.2	5.8	29.8



**Chart 4: Job Trends**

**February Key Points**

**Trend Estimates**

Total job vacancies in February 2005 were 145,200, an increase of 5.8% from November 2004.

The number of job vacancies in the private sector was 129,500 in February 2005, an increase of 6.0% from November 2004.

The number of job vacancies in the public sector was 15,700 in February 2005, an increase of 4.0% from November 2004.

Australia's Population - 3 June 2005

**20,332,792**

This projection is based on the estimated Australian resident population at 31 December 2004 and assumes growth since then of:

- one birth every 2 minutes and 4 seconds;
- one death every 3 minutes and 53 seconds;
- a net gain of one international migrant every 4 minutes and 10 seconds; leading to
- an overall total population increase of one person every 2 minutes and 9 seconds.

The World Population – 7 January 2005 and rising

**6,451,058,790 (Australia = 0.3 of 1%)**

**Newsletter Content!**

**Your feedback is important to us.** Please [email us](#) with any topics of interest that we might include in future Ardu's Newsletter publications. We would be pleased to hear from you with your comments. Please follow the prompts.

[Insert link](#)

**Ardus Consulting Group – the Company**

Ardus Consulting Group draws on its extensive experience in offering recruitment and retention services to private and public sector organisations since 1995 a period of over 10 years. Ardu's is also part of a national network of consultants underpinned by one of Australia's leading specialists on workforce engagement and retention.

For a confidential briefing to explore how we can assist your organisation please contact us on:

**03 9855 1555 or 02 9362 9222.**