

Remuneration Review

New Zealand Edition, Issue 12, Autumn 2008



■ Important CSI Announcement - With CSI MD, Jairus Ashworth

■ New HR Policy Report

Integration of CSI into Hewitt Associates



In March, we announced the acquisition of CSI by Hewitt Associates. There are many benefits in the coming together of the two companies for clients of CSI and Hewitt and for our two organisations, and we are very excited about the possibilities that lie ahead of us. We have many complementary strengths and our company values and approach to taking care of our clients are very much aligned.

It's common in an acquisition for two companies to say nice things about each other for the record. In this case the admiration is genuine and deep. Hewitt and CSI people are "cut from the same client-oriented cloth". Hewitt shares CSI's passion for listening closely to

clients to understand their needs and objectives and working with them to develop solutions that support their strategic directions.

Both firms have grown from small beginnings in Australia and New Zealand and have been successful as a result of a genuine commitment to putting the customer first in our decision-making and constantly striving to provide the best possible experience and outcomes for our clients.

We share the same values and goals: to be the leading service provider; sustained growth through superior client satisfaction; and continued personal growth for our people. We believe in treating our clients, people and suppliers with dignity and respect, ethical behaviour, honesty and integrity, teamwork and collaboration and excellence through the delivery of quality and innovation in all our work.

Our new combined organisation under the Hewitt brand now places us in a unique position in the Australia and New Zealand market as the only HR consulting firm with integrated analytics offerings across compensation, engagement and human capital applications. As a result, the suite of services we can offer our clients is much broader, enabling you to come to one supplier for all of your HR consulting needs.

The Hewitt Associates company vision is to 'make the world a better place to work' and we look forward to collaborating with you and our new colleagues to make this a reality. We are currently working on integrating our two organisations and if you have any questions or comments about this please feel free to contact me on +61 2 8440 6500.

I would like to personally thank you for working with us for some or all of the past 23 years. We hope to continue working together long into the future.

About Hewitt Associates

For more than 65 years, Hewitt Associates has provided clients with best-in-class human resources consulting and outsourcing services. Hewitt consults with more than 3,000 large and midsize companies around the globe to develop and implement HR business strategies covering retirement, financial and health management; compensation and total rewards; and performance, talent, and change management.

Many of the world's leading organisations depend on Hewitt to:

- Help them attract, engage, retain, and reward talent
- Build management capability and develop sustainable leadership programs
- Shape and streamline solid HR management foundations aligned to business strategy
- Create and manage benefit programs that extract maximum value from their investment
- Manage the challenges of mergers, new business set up, sourcing, and other big change events
- Deliver HR administrative activities efficiently and effectively, freeing them to focus on their core business
- Develop comprehensive, single-source solutions that improve their bottom line

For more detailed information on the services available, visit hewittasia.com

Retention Policy & Practice Report 2008

Employee retention is one of the biggest challenges facing organisations in the current employment environment. This report will provide you with valuable insight to help you address attraction, motivation and retention of employees in your organisation.

The report features data from 38 organisations in New Zealand and 173 organisations in Australia across a range of industries. It presents you with the latest data on staff attrition levels and outlines what approaches New Zealand and Australian organisations are now taking for each of the five key factors of an integrated 'total rewards' framework, including:

- Market competitive remuneration
- Benefits - financial benefits (eg. cars, laptops), and non-financial/'soft' benefits (eg. an informal work environment)
- Work-Life Balance - benefits and plans that allow employees to achieve a better balance between their work commitments and out-of-work commitments
- Performance & Recognition - recognising and rewarding exceptional performance with financial and/or non-financial rewards
- Development & Career Opportunities - the professional and personal development of employees, including formal and informal training

The report also addresses how organisations measure the success of these five areas of their total reward strategies in retaining employees. It includes in-depth case studies from two New Zealand organisations and two Australian organisations outlining in detail their policies in relation to remuneration, benefits, work/life balance, performance and recognition and career development.

For further information on this or other CSI Policy & Practice Reports please visit www.csirem.co.nz/Surveys/HRPolicy/index.htm (case sensitive) or contact Rachael Finnemore on (09) 579 9733.

Technology Salary Surveys

Have a New Home

We are pleased to advise that the New Zealand Salaries and Benefits Surveys for Information Technology and Telecommunications (IT&T) Industries and for IT Specialists will now be run out of our local office in Auckland. These reports were both previously administered out of our Sydney office.

This change has two important benefits for New Zealand-based subscribers. Firstly, subscriptions will be invoiced in New Zealand dollars which means the fee is no longer subject to foreign exchange fluctuations, so clients can now accurately budget for participation in the survey.

Secondly, the Survey Manager responsible for the IT Specialists report will now be based in our Auckland office. This means that the CSi representative for these surveys will be available during local business hours rather than Sydney business hours.

CSi has been producing the New Zealand IT&T Industry Salary and Benefits Report since 1990 and it now covers more than 50 IT&T vendors across telecommunications, hardware, software and services. The New Zealand IT Specialists Salary and Benefits Report has been produced since 1998 and is specifically devoted to surveying internal corporate IT specialists.

The technology industries are constantly growing and changing in New Zealand, highlighting the need for reliable and current salary and benefits information. Both surveys provide comprehensive remuneration tables per position as well as general commentary on salary movements, economic commentary staff attrition and feature surveys.

The next edition of the IT Specialists report will be released in August and the IT&T Industry report will be published in September.

Contact Rachael Finnemore on (09) 579 9733 for more information.



Purchasing The Right Salary Review Software Solution

This is the final article in our five part series providing tips on what to look for when you're shopping around for the perfect salary review software solution for your organisation.

There are a number of design features within quality salary review software solutions that HR practitioners should demand when making their purchase.

The first of these critical features were discussed in past editions of this newsletter and include:

- A consistent organisation or department-wide methodology for making salary review decisions
- Control mechanisms for HR practitioners to automatically monitor and guide the progress of the salary review
- Time saving and automation devices

The last important feature to look for is automated mechanisms to facilitate enhanced communication with, and empowerment of, reviewing managers. You can assess whether the salary review software you are planning to buy includes this feature by considering the following suggestions.

A salary review software solution should be intuitive for both HR and business end users. If during the review, communications between HR and the business are primarily focused on how to use the software and how to access information within it, then the purpose of implementing a salary review solution has not been realised.

It is therefore vital to receive a full demonstration of the software from your service provider prior to entering any purchase agreement. The demonstration should be given by the service provider from the perspectives of the HR team as well as reviewing and approving managers so that you can be sure the software is straight-forward and easy to use.

A salary review software solution should also automate all of the administrative processes usually undertaken by the HR team. This ensures HR practitioners become advisors to the business through-

out the review rather than process and policy 'policemen' and/or data entry administrators.

By allowing HR practitioners to interact with the business at a more strategic level, there is greater opportunity for reviewing managers to be fully supported through the process and for HR to impart their specialist remuneration knowledge to ensure the success of the review.

In addition, a salary review software solution can also empower reviewing managers by providing them with the facility to personalise review letters to their employees and automatically generate hard copies at the touch of a button. By providing this functionality, reviewing managers are encouraged to own the decisions they have made and be active participants in the outcome of communications with employees.

By ensuring your salary review software provides the above mentioned functionality plus the

features discussed earlier in this series, you will streamline salary review processes and arm your business with all the intelligence they need to assist with making the review a success. This will increase your organisation's return on investment (ROI), ensure the review process is perceived by all parties to be fair and equitable, and increase the credibility of your HR Function.

To receive a full copy of this series of articles or to discuss your salary review with a CSi consultant, please contact:

Rachael Finnemore on
(09) 579 9733.

Are you shopping for a salary review solution?

CSi's Remuneration Decision Assistant (RDA) is a sophisticated online remuneration solution that incorporates the design principles discussed in this series of articles. Visit www.csirem.co.nz and click on Software for more information.

Meet the CSi New Zealand Team

The CSi team has grown significantly in the last two years and offers a broad range of remuneration consulting services and salary and benefits survey products to New Zealand clients.

Rachael Finnemore joined in May 2006 to set up CSi's New Zealand operation and holds the position of Practice Manager. Rachael is responsible for the overall management and development of CSi New Zealand.

Nicola Wood holds the position of Remuneration Consultant at CSi. Nicola is responsible for the delivery of professional remuneration advice and general HR consulting support across a broad New Zealand client base.

Philippa Youngman was the founder of Pivot Ltd, which in July last year was integrated into the CSi group and over the last five years has utilised her strong experience in the areas of remuneration and performance management across various industries.

Janine Irvin holds the position of Remuneration Consultant at CSi. Janine manages all New Zealand Surveys, supports the consulting team and is responsible for project management and implementation of CSi's salary review software products, RemSys and Remuneration Decision Assistant (RDA).

Kristie Hartill holds the position of Remuneration Consultant in CSi's Wellington office. Kristie is responsible for business development and delivery of professional remuneration advice and general HR consulting support in Wellington and Christchurch.

Abbe McCauley holds the position of Remuneration Specialist and is responsible for management of key New Zealand surveys including the Call Centre and Media Remuneration Reports.

Opportunity to be named a Best Employer in Australia & New Zealand



Now that we have joined forces with Hewitt Associates we can offer you the opportunity to take part in the 2008 Hewitt *Best Employers in ANZ* study which is now in its seventh year.

Partnering with AFR BOSS magazine and the Macquarie Graduate School of Management (MGSM), the Hewitt *Best Employers in ANZ* study is the largest employee research project conducted in Australia and New Zealand.

The study provides a definitive benchmark for participants to measure their effectiveness in providing a workplace that engages their employees and delivers value through people. It gives insight into how organisations can achieve a real competitive advantage through their people and explores what makes organisations competitive in the labour market.

The study also recognises Hewitt *Best Employers* — organisations selected by a panel of judges (chaired by Professor Roger Collins from MGSM) after reviewing a comprehensive range of data that participants provide — including an employee opinion survey, a review of people practices, and information about the organisation provided by its leader.

What do past participants say?

"Corporate Culture is defined within Salesforce as the sum of each of the employees' attitudes.

Most observers now accept that staff engagement and commercial performance are tightly linked. For our enterprise to compete willingly and prosper it's important that every individual who comes to a Salesforce workplace—likes doing so. If they love it even better. Passion is a wonderful motivator.

During our first eight years we talked about our unique Salesforce culture and suspected that we were creating a good working environment. Our involvement for the last four years in the Hewitt *Best Employers* survey has allowed us to know that we are creating a great work environment.

Hewitt feedback has allowed Salesforce management to understand the correlation between individual employee attitudes and the work environment which has allowed us to fine tune and improve some good ideas."

Kevin Panozza, CEO, Salesforce

2006/07, 2005 and 2004 Winner and Hewitt Best Employer 2003 and 2001

"American Express is proud to be recognised as one of Australia's *Best Employers* for the last three years. The receipt of this citation assists us in attracting a diverse range of candidates to ensure we continue to provide unsurpassed service and premium value to our clients and customers. Just as important is the terrific insight the survey provides to the current engagement and future needs of our team members. This information enables American Express to create an environment in which our talented team members will thrive and hence retain."

Michelle Thomson, Vice President of Human Resources in Australia, New Zealand and the South Pacific, American Express

2006/07, 2005, 2004 and 2003 Hewitt Best Employer

"Nokia Australia has actively participated in the Hewitt Best Employers studies since its inception in 2000. We have won Best Employer in Australia four times and this demonstrates our continued success as an attractive employer for both existing and future talent. The feedback and metrics that Hewitt provides also gives us real insight into our employee morale."

Katrina Lindsay, Human Resources Manager, Nokia

2006/07, 2005, 2003, 2001 and 2000 Hewitt Best Employer

"The Hewitt Best Employers survey gave us valuable feedback on what our employees feel are positive and negative impacts on engagement. We can then act upon this information to ensure we continue to increase employee capabilities and attract and retain talented individuals."

Paul Bassat, Joint CEO, seek.com.au

Highly Commended in 2006/07, 2004 and 2003 and received 'Special Commendation for Consistent Improvement' in 2005

"The award has been beneficial to our business. It has enabled us to improve the management of our people, has introduced new business relationships and raised our profile. We took part to check that we do deliver on the promise of our Carson Culture to our people. We will again participate in the Hewitt Best Employers process with the aim of continued development."

Owen Judge, Director, Carson Group

2006/07 and 2005 Hewitt Best Employer

Surveying for the 2008 Hewitt *Best Employers in ANZ* study is taking place between 21 April and 20 June 2008. Registrations are open until 20 May 2008, so to participate or for more information phone Paul Wright at CSI on +61 2 8440 6500 or visit www.bestemployersanz.com.

CSI Welcomes New Clients

- Contact Energy
- Fuji Xerox NZ
- MetService NZ Ltd
- Pricewaterhouse Coopers
- Pumpkin Patch NZ
- Te Kaiawhina Ahumahi
- Television New Zealand Limited

We look forward to working with you!

A Little Chuckle....

How to get a raise:

A boss tells his new employee, "I'll give you 8 bucks an hour starting today and in three months, I'll raise it to 10 bucks an hour. So when would you like to start?"

"In 3 months."

An applicant was filling out a job application. When he came to the question, "Have you ever been arrested?" He answered, "No."

The next question, intended for people who had answered in the affirmative to the last one, was "Why?" The applicant answered it anyway: "Never got caught."

Several weeks after a young man had been hired, he was called into the personnel manager's office.

"What is the meaning of this?" the manager asked. "When you applied for the job, you told us you had 5 years' experience. Now we discover this is the first job you've ever had."

"Well," the young man said, "in your ad you said you wanted somebody with imagination."

As published on:
www.comedycentral.com/jokes &
www.workjoke.com



Stat Wrap

GDP (annualised December 07)	3.1%
CPI (annualised March 08)	3.4%
Unemployment (annualised December 07)	3.4%
Wages Growth (annualised December 07)	3.4%

IT Spot

According to CSI's New Zealand IT Specialists Survey, employers of IT staff are predicting an average 4.0% salary increase for the 08/09 financial year.

The average salary increase at Total Remuneration Cost for incumbent employees between March 07-08 was 5.4%.

The voluntary staff attrition / turnover rate related to IT specialists is 12.2% (weighted average).

The New Hires Market

Employment Expectations According To The Hudson Report

The Hudson survey of permanent hiring expectations (www.hudson.com) has revealed cautious optimism for the January - June 2008 period. A net positive 35.7% of the 1,747 employers surveyed indicated an intention to increase their permanent staff levels over this period, down just 3.3 percentage points (pp) on the previous period. The IT Industry recorded the highest level of employer sentiment of all industries surveyed for the fifth period running. The telecommunications industry showed the second highest level of optimism.

Positive net effects were recorded across all regions. Upper North Island maintained the growth momentum started in the previous period, with employer sentiment rising 1.4pp to +34.7%. South Island continues to display the highest level of employer optimism across the regions at +39%, a result nevertheless down 8.2pp on the last survey. Employer sentiment in Lower North Island declined 8.6pp to +36.2%.

Current 'net effect' is arrived at by subtracting the expected decrease in employee numbers from the expected increase in staff levels.

The New Hires Market Continued ...

Job Vacancies Levels According To The Job Vacancy Monitor

According to the Job Vacancy Monitor (JVM) (www.dol.govt.nz), there were 5,858 advertised job vacancies measured in December 2007 down 4% compared to twelve months ago.

The number of vacancies in December 2007 is down 1% compared to the same period in 2003.

The total number of highly skilled job vacancies increased by 10% in the year to December 2007, whereas skilled job vacancies decreased by 10%. Semi-skilled/ elementary vacancies decreased by 4% since December 2006.

Employment Outlook According To The Manpower Survey

The Manpower Employment Outlook Survey (www.manpower.co.nz) for the January - March quarter of 2008 was conducted by interviewing a representative sample of 982 employers in New Zealand.

All survey participants were asked, "How do you anticipate total employment at your location to change in the three months to the end of June 2008 as compared to the current quarter?"

The results show that employers in New Zealand are predicting the pace of hiring to be solid over this quarter. While 31% are anticipating increasing their headcount, 7% expect to reduce staffing levels and 62% expect no change.

Current Report Releases

Report	Release Date
New Zealand Top Executive Remuneration Report	Early May
New Zealand Media Industry Remuneration Report	Late May
New Zealand General Industry Remuneration Report	Late May
New Zealand Property Industry Remuneration Report	Mid July
New Zealand IT & Telecommunications Industries Salaries & Benefits Survey	Late August



HR Spotlight

Nick Lee

Manager HRIS & Remuneration
MWH Global - Asia-Pacific

Nick Lee is the HRIS & Remuneration Manager for MWH Global - Asia-Pacific. He is responsible for the Asia-Pac Regional application, implementation and on-going improvement of global HR systems, reporting and analysis, as well as rewards, benefits and mobility policies. We spoke to Nick to find out more...

What is your work background?

After fifteen years in mainstream banking, I moved to an HR Manager role with the National Bank. I joined MWH seven years ago as NZ HR Manager and at this time MWH was in a high growth phase and operating in a market where engineers, planners & scientists were becoming ever scarcer. In 2005 I moved into my current Asia-Pac regional role.

How has remuneration management changed in your organisation or in your industry over the past 12 months?

With the consulting engineering industry running hot in recent years, we have kept very close to what is happening in the market and have responded quickly to changes in order to attract quality people and maintain internal equity.

Describe something wild or distinctive about yourself.

In keeping up with teenage daughters, my latest challenge has been to learn to wakeboard, and being fairly competitive I am having to push those jumps ever higher - which I am sure will have a painful conclusion sometime soon!

What do you use CSI for?

We use CSI in NZ and Australia to benchmark salaries and for customised salary surveys. Also for their consulting services to set up pay structures and analyse our annual performance planning and review process.

How would you rate CSI's service?

CSI is quick to respond and also dealing with a local consultant face-to-face is a great help to ensure a thorough understanding of our business and requirements.

Nick holds a NZ Diploma in Business Studies (NZDBS) from The Open Polytech; and a Certificate in Employee Relations from Massey University.

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