

RR REMUNERATION REVIEW

NZ Remuneration Forum Report

The CSi New Zealand Remuneration Forum was held on Thursday 31st March 2005 in Auckland.

Delegates to the forum included representatives from ASB Bank, Axon Computer Systems, Bank of New Zealand, Canon New Zealand, CGNZ, EDS (New Zealand) Limited, Fuji Xerox New Zealand, Gen-i, Hewlett Packard NZ, IAG New Zealand, IBM New Zealand, Massey University, Kyocera Mita New Zealand, Onesource, Oracle New Zealand, Oxygen Business Solutions, Provenco Group, Ricoh NZ, Siemens (NZ), Tacit Group, TelstraClear, The Warehouse, Vero Insurance New Zealand, Vodafone New Zealand.

The forum included a number of informative presentations. CSi's Remuneration Consultant, Nick Woodward, provided insight into current market trends in the IT and telecommunications sector as well as

for IT specialists working at IT sites within banks, government departments, insurance companies, manufacturers and universities. Remuneration and benefits trends, voluntary and involuntary staff attrition rates, salary increases over the past twelve months and salary forecasts for the coming financial year were discussed.

During this presentation, both CSi and delegates raised the current skills shortage in New Zealand as an issue and agreed that attrition levels of around 20% on average are compounding things within an already challenging recruitment and pay market.

It was indicated during this discussion that some organisations are buying in talent from overseas, especially from Australia, South Africa and the UK. There is also anecdotal evidence of sign-on bonuses being used to attract new employees. In addition, it was reported that the govern-

ment seems to be willing to match salaries offered in the private sector for IT specialists in order to lure candidates into the public sector. This seems to be particularly the case in Wellington.

Paul Wright, CSi's Business Development Manager, then presented market trends in policies related to leave entitlements, including annual leave; sick leave; military leave; long service leave; bereavement leave; emergency services leave; study leave; family/carer leave and unpaid leave.

This presentation generated discussion around annual leave entitlements. A number of organisations indicated that the change in legislation related to annual leave entitlements entails no real change as their entitlements are already above minimum statutory requirements.

CSi would like to thank all forum delegates for their attendance and participation at the NZ Remuneration Forum.

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The Remuneration
Specialists

Visit our website:
www.csirem.com.au
for information on
RemSys - CSi's salary
review software.
RemSys allows
organisations to
automate their salary
review processes.

Car Allowance Policies Popular in New Zealand

A significant proportion of New Zealand organisations continue to provide motor vehicle benefits as a way of attracting, retaining and motivating key employees.

For those organisations, motor vehicle benefits policies are often complex to develop, review and maintain. For this reason, keeping abreast of market trends is vital to the success of motor vehicle benefits program.



In a recently released CSi report - *Motor Vehicle Policy Report 2005* - it was revealed that policies relating to fully maintained motor vehicles and novated leasing are less prevalent amongst New Zealand organisations than policies associated with the provision of car allowances.

For employees that require Tool of Trade vehicles to perform their job function, fifty-five per cent of organisations have car allowance policies.

In addition, forty-six per cent of organisations have fully maintained motor vehicle policies

for these employees.

Policies governing the reimbursement of motor vehicle expenditure to employees that use their own cars for work purposes exist within twenty-one per cent of organisations.

Unlike in Australia, no New Zealand organisations have novated leasing policies to cover employees that require vehicles to perform their job function.

Car Allowance policies for employees that are eligible to receive requisite motor vehicle benefits are prevalent in forty-nine per cent of organisations.

This compares to twenty-one per cent of organisations with fully maintained motor vehicle policies and another twenty-one per cent with policies regarding the reimbursement of motor vehicle expenditure to employees.

Twelve per cent of organisations have novated leasing policies that cover employees eligible for requisite motor vehicle benefits.

The Motor Vehicle Policy Report 2005 provides a comprehensive overview of market trends in motor vehicle benefits policies. To order your copy, please contact Paul Wright on 61 2 8440 6500.

HR Spotlight

*Introducing
Carl Cheater*



People Manager
Ricoh NZ Ltd

Carl Cheater is definitely *not* your traditional HR employee! Inspired by anything other than "maintenance or traditional" HR roles, Carl has worked for leading organisations including Adecco, TVNZ, Vodafone, SITEL, Telecom Retail and Telecom Mobile over the past 12 years. A self-confessed fan of fast paced technology companies, we spoke to Carl about his unique approach to work.

What is your work/life philosophy?

To make sure I work for a supportive and flexible boss. For example, my current boss understands that what I produce is more important than getting to work at 8:30am.

With your current employer you changed your title from 'HR Manager' to 'People Manager'. What were the reasons behind this change?

I've never liked "Human Resources", as I

fundamentally don't believe a company owns its people like a resource. I think great employers are committed to meeting their employees' needs and will treat staff more like investors (that need a return to continue to invest) rather than merely as a resource.

How would you characterise Ricoh NZ's culture?

Ricoh NZ is largely a Sales Driven organisation, as it operates in the highly competitive office equipment market which remains acquisition focussed. The one value that sums us up is that we "think fast, move fast". Ricoh NZ is a flat, innovative company that strives for service excellence. We have 180 staff, and 80% are male ... any females, please apply!

What are you most famous for?

I'm most famous for organising (what I believe is) the biggest corporate staff party Auckland has ever seen. It was to create an organisational milestone; the day we launched our Brand Values.

Describe an event in your HR career that you will never forget.

The day I told one of Wellington's top employment lawyers that her argument was so illogical I suspected her 3 year old had come up with it! Suffice to say, we won the case!

For you, what is the key element of remuneration management?

In my mind, remuneration is more about managing employee expectations and

instilling trust than it is about the 'science' of sizing and benchmarking.

What is the most important remuneration situation you've had to deal with?

In a previous role, my organisation was faced with the loss of many skilled RF Engineers to other mobile networks in Europe due to huge contractor rates being offered. It was an industry-wide problem. In response to this I led an industry survey, which was the first time all HR Managers from the major Telcos had talked openly about remuneration. Following this I introduced a new remuneration structure of broad-banding and more significantly, was able to ensure fair, competitive remuneration and argue successfully why remaining a permanent employee with the organisation was better than contracting.

How have you used CSI recently and for what reason?

CSI and I go way back, and I'm a big supporter of CSI's IT & Telecommunications Salaries & Benefits Survey. Using an industry cut of the survey data, I have introduced a structured career path for our Technicians. This is already having a positive impact on our retention. I am delighted that all the industry players are now represented in the CSI Survey.

Carl Cheater has a BCA (Industrial Relations and Commercial Law) and is a paper shy of finishing a Graduate Diploma in Business (PMER).

Pay - IT Vendors Versus Telco Organisations

In tight employment markets, intelligence related to direct competitor organisations' remuneration rates is vital to attracting and retaining high calibre talent.

As such, CSI conducted an analysis of the difference in pay rates at Total Fixed Remuneration offered by IT Vendors and those offered by Telecommunications organisations. These two groups of organisations are usually combined together to create remuneration rates reported in CSI's *New Zealand IT & T Salaries & Benefits Survey*.

Interesting trends to come out of the analysis were as follows:

- HR roles from the officer level to

the HR Manager level (first line of management) are paid ten per cent less on average within telecommunications organisations when compared with IT vendor organisations.

- IT Vendors remunerate their Marketing / Communications Managers and Specialists at higher levels (13% and 4% respectively) than Telecommunications organisations.
- For Support Engineers working within the client user server environment and at the more junior level, remuneration within telecommunications organisations is higher (5% on average) when compared with IT vendors. However, for more

senior engineers, remuneration rates within telecommunications organisations are lower when compared with IT Vendor rates (6% lower on average).

- All levels of Consultants and Project Managers within the Professional Services job family receive lower salaries within telecommunications organisations compared with IT Vendors (8% lower for Consultants and 10% lower for Project Managers).

For more information on how you can access selected cuts of data from the NZ IT & T Survey, please contact Paul Wright, Business Development Manager on 61 2 8440 6500 or pwright@csirem.com.au



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