



# EMPLOYER NEWS 2017

Perriam & Partners Employer Newsletter

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## WAGE RISES IN THE PIPELINE

As an employer this year and if you have not already, you may need to bite the bullet and pay a little more to your staff following this year's higher than expected inflation.

Inflation in the year ended 31.3.17 was around 2.2%, well above estimates previously given by the Reserve Bank and the Economists.

If you are looking to pass on a CPI adjustment then somewhere between 1.5 and 2.0% may be in order.



"Instead of a pay raise, I'm adding you to my friends list on Facebook."

## RISE OF THE INSTAGRAM OFFICE

Over the next five years millennials will be the fastest growing age demographic in New Zealand, contributing about 70,000 people to Auckland's workforce. Their ascendancy will have a huge impact on the way companies approach office layout.

Research shows that millennials seek a strong demonstration of purpose from their organisations. Many workplaces are responding to this by making choices of working styles a selling point, allowing millennials to work however, whenever and wherever they want.

The influence of millennials on workspace decisions can be seen in global corporations' increasing desire for offices their employees can show off on Instagram or Facebook. Many businesses want high quality fit outs that showcase the style trends and amenities typically found in the offices of Silicon Valley technology giants. Large open spaces, exposed ceilings and floors made from timber or polished concrete. These have been shown to drive tenant inquiry and transactions.

Research has also found that a great looking space can help attract and retain staff. Workspace strategy firm Not Yet Known, which is part of the Jasmax Group of architects and interior designers, agrees. "Physical space is the most tangible expression of a business's culture and relies upon activities within it to bring it to life. Instagram is about people expressing what's important to them and so if a workplace means something to employees, they will share pictures of it on social media," says Not Yet Known senior strategist Sarah Bryant.

It is important to consider that millennials will soon represent 50% of the workforce and right now they view Instagram as an important part of their digital life, so making a workplace 'Instagram worthy' could soon be an essential tool in attracting world leading talent.



Article Source: Total Property

## TOP FIVE WAYS WORKERS ARE WASTING TIME WHEN THEY ARE AT WORK

One in ten workers admit more than half of the working week is spent wasting time but scrolling through social media is not the biggest culprit.

Research conducted on behalf of SEEK finds taking to colleagues face to face is how 48% of Australians waste their days when they should be working.

While logging on to social media is the second biggest timewaster, almost a third of Australians are at least productive in some way when they do not want to work, spending time cleaning their workspace. Doing nothing and taking long breaks round up the top five ways Australians are wasting time at work.

Most respondents believe less than 30% of the working week is time wasted but 11% believe more than 50% of the time is lost.



"Oh ... you want me to work."

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## AS WORKERS GET OLDER, IS BUSINESS READY FOR THE GREY TIDE?

Imagine a future where a quarter of the workforce is aged 55 plus and one in ten workers is over 65, old enough to get NZ Superannuation. It's less than 20 years away according to currently projections.



By 2036, the number of over 55's in the workforce is expected to rise more than 820,000—a 70% since 2011. The figures are the long predicted result of the baby boomer generation moving through the workforce.

Yet some experts say businesses and employers are doing little to cope with the challenges of an ageing workforce, to ensure there isn't a costly loss of skills and experience when they do retire. A survey of 500 businesses last year by the Commission for Financial Capacity (CFFC) found 83% did not have specific policies relating to older workers.

David Boyle, the Commission's group manager, investor education, believes most businesses are doing very little or nothing concrete to support older workers. "They are under estimating the challenges that lie ahead. Most haven't worked out what their workforce looks like, with growing numbers of older workers and the impact it will have on their company in the future. If they don't manage their older workforce, then they could lose an awful lot of knowledge and expertise when those people retire. They need to think about how to pass that on to the next generation."

New Zealand already has a very high participation rate among older workers. Among the over 65's, this country has the highest work participation rate of any OECD country. Tim Bentley, a professor of work and organization at Massey University's business school, says it's not just a loss of experience that businesses should be worried about, but a potential looming skills shortage. Bentley says because fewer young people are coming into the workforce, there is going to be a great fight for talent. "There will be a lot fewer younger people and when you get them. They will be a lot more likely to leave."

Bentley says research indicates that what older workers want most is respect and recognition. But more often, they feel discriminated against. The second most desired factor is flexibility. "As people get older, they have different responsibilities," he says. "It may be they can keep going in the same job but only for 30 hours a week and they may want to work more remotely."

He says the over 55's are feeling younger than they once did. "We are not like our parents and grandparents ... people want to work longer." Bentley says next year is when New Zealand will start noticing the worker shortage and by 2020, a quarter of the workforce will be in the older population.

## INNOVATION A KEY IN RECRUITMENT

Are fussy employers with too many expectations the reason behind the skills shortage? In 2016, the economy experienced a 13% increase on the All Vacancies Index, as reported by the Ministry of Business Innovation and Employment. But for jobseekers and employers alike, this led to a frustrating mismatch in skills to meet the new jobs.

"With our improving economy and a more sustainable building boom, the jobs market is active with demand outstripping the supply of highly skilled local jobseekers," says Jason Walker, Manager Director of Hays in New Zealand. "Candidates are available, but employers are very particular in their requirements and want locally experienced and knowledgeable professionals." He says that if an employer is too particular and has a long list of expectations, it can be difficult for them to find someone who ticks every box, leading to the skills gap even though there may be suitable candidates available.

Industries experiencing the greatest skills shortages include professional private practice accountants, digital marketing and tradespeople, as well as IT and architects. The buoyant job market is welcome, but is continuing to duel the shortage of highly skilled professionals, leading to employers being desperate to find the right skilled workers.

"While it always depends on the job, recruiting for cultural fit and then upskilling in technical areas is a good strategy when skills are in demand," says Walker. It ensures you recruit someone who is the right fit for your organisation and the way it operates, and they gain any missing technical skills quickly once they commence.

He believes apprenticeships also deserve more attention to fill the skills shortage and says people shouldn't be put off this form of training because of a stigma about not attending university. "Ironically, gaining technical knowledge and experience in an area of candidate demand is important for a secure long term career and this can be achieved through an apprenticeship just as it can through a degree or post graduate qualification," says Walker.

Adaptability in the job market is also key in an ever changing world where disruptive technologies and services, virtual technology, artificial intelligence, 3D printing and self drive vehicles may be common place and changing how we do things. This means the skills you have now may not be needed in the future, so employers should start now to look outside the strict set of requirements to fill roles. The skills shortage could be the wake up call they need to reassess how they view a candidate's potential.

