

## 2010 – WHAT'S IN STORE FOR HR?

**A**t this time of year, articles are in plentiful supply in the HR press about what is in store for the following year. In the last Instep for 2009, we will try to add some value to this popular topic.

### First, what happened in 2009?

The interesting thing about the HR recruitment market in Australia over the past year was that it was a snapshot of the total employment market. The unemployment rate has not reached the levels expected by the Reserve Bank or predicted by most economists. It has hovered around 5.8% for a good part of the latter half of the year. This does not infer that people aren't hurting, but the big picture is better than most people thought it would be 12 months ago.

Similarly, as a percentage of the total HR market, not that many HR professionals lost their roles due to economic downturn pressures. This means the supply side was not as deep and as wide as many employing HR Directors and companies imagined. The main issue in the HR market, and most other professional disciplines, was that the demand side was very, very soft (particularly in the first six months). This meant that excellent HR professionals who found themselves in the market through no fault of their own, found 2009 very difficult as roles simply dried up!

The area that was most significantly impacted with very soft demand over 2009 was the early career HR market. This is not good news for the future supply of HR professionals. In a year or so, when HR Directors are looking to recruit HR professionals with 3+ years of experience, they will encounter increasing degrees of difficulty.

What were some of the other real shifts in the HR recruitment market between 2008 and 2009? First, internal Recruitment roles decreased from 16% to 4% of the HR market. OD and L&D roles went from 25% of the market to 20%. On the flip side, Remuneration roles doubled from 4% to 8% and ER/IR roles increased from 1% to 3%. The other big mover in the total HR market in Australia was that HR generalist roles increased from 51% to 59% of the HR market.

### What does this mean for 2010?

It is too early to suggest that all the consequences of the GFC have washed through for individual industries and companies, but most commentators believe that the worst is over. Therefore, what can be safely predicted?

- **IR will still be in demand.** The reality is that pure IR specialist roles make up a reasonably small percentage of the overall market. The implications from the changes in employment legislation are still flowing through and this, combined with an emboldened union movement, should create significant IR work in 2010.
- **Remuneration will still be counted on.** For listed companies, remuneration has been the main HR issue for 2009. Board Remuneration Committees are hyper-sensitive to understanding what their short and long-term programs look like through the lenses of both shareholders and the media. Management teams have been portrayed as having their "snouts in the trough", and both shareholder groups and the media are having their say.
- **Back on track with OD/L&D.** As already mentioned, the percentage of roles in the Organisation Development and Learning space did drop in 2009. This is not surprising. The roles that did exist had an orientation around sales development. The culture and leadership space did take a back seat. This trend is starting to reverse as companies seem to be refocusing on their culture drivers in preparation for a market pick up and their need to quickly address potential staff retention issues.
- **Recruitment roles will increase.** There is expected to be a big jump in employee churn at the start of 2010. Due to a significant increase in disengagement over the past year, (as reported by the Corporate Leadership Council and others), many employees will be more active job seekers in 2010. This will articulate into more roles in all areas, as people who had previously "hunkered down" create vacancies.
- **Business as usual for HR Generalists.** Roles that have been focused on change management, downsizing, cost rationalisation and performance management will need to refocus on building quick solutions to tackle problems of employee engagement and retention. This is a demonstrably better range of problems to be focusing on.

### 2010 a better year all round

Irrespective of the role that an individual HR professional plays, one thing is for sure, the HR function will be at the front of organisational change over the next 12 months, as companies start to build for an improvement in trading conditions.

The big question is, "what will be the general impact on the number of HR roles on offer?" The reasonable conclusion is that like most areas of professional expertise, there will be a jump in roles in 2010. The question for HR Directors is, "have they done enough to ensure engagement in their own teams?"

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