

HR jobs – Some industry trends

There are some changes in the economic wind with Australia's economy currently at what many think is a turning point. With inflationary pressures and increases in interest rates, we look at the potential impacts on some industries and their demand levels for HR professionals this year.

Firstly, the good news

According to the current edition of one of the best Australian employment forecasting surveys, The Fairfax Media Employment Forecast, even with some softening in the employment markets, HR professionals will be in demand alongside a range of other disciplines such as engineers, auditors, IT professionals, bookkeepers and insolvency experts!

Whilst there is some softening in the markets expected, the projections for the general employment markets is still strong across the board. HR professionals will still be expected to assist companies in many industries to continue to deal with talent shortages as has been the case for the past few years.

Even if companies are affected by a downturn, HR will still be in demand to drive organisational restructuring.

The bad news

Some of the industries in Australia that are on a long term growth trajectory are unfashionable as far as many HR practitioners are concerned. These industries include health, education and the public sector which are often poor paying and under resourced from an HR professional's perspective. As quoted in the *AFR* on the 18th of April, NAB is so confident about the growth in these sectors that it has decided to set up separate divisions just to service their growth.

Some of the industries that HR professionals have a strong preference to work within, such as finance and the IT & communications sectors, may be among those that soften in demand according to the Fairfax Employment Forecast. The Forecast certainly points out that the finance sector may be impacted by the global credit crunch but that it's coming off a significant period of growth.

Where are HR jobs now?

Analysis of a sample of over 1,000 HR jobs from the Australian market shows some interesting results. One of the traditional employers of HR professionals, the finance sector (including banking & insurance) is still a massive employer of HR professionals at 22% but the next sector is the resources, construction & property sectors which are now second with 12%, beating IT & communications with 11%.

According to the Fairfax Employment Forecast, almost one in 10 Australians now work in construction alone and this is set to continue

in the future, so certainly the strong demand for HR roles in this sector will continue.

Where will they move to?

Geographically, the Queensland market is a powerhouse in the general employment market with "one third of all new jobs in the next six months being created there" (Fairfax Media). With over 42,000 jobs out of the national total of 124,000, Queensland is definitely set to challenge the other states for general talent for the remainder of 2008. Therefore whilst Queensland has lagged the southern states for its share of serious HR roles in the past, with this growth in the general employment market, surely this will change in the future.

What industries do HR people want to work in?

Anecdotally, there are definitely some industries that are attractive to HR professionals, whilst others create a sense of caution when looking for opportunities. Not surprisingly, many of the industries that attract high calibre HR talent have product lifecycles that enable a level of planning and alignment between the people and business plans, such as the FMCG and pharmaceutical sectors.

Sectors that are high volume, low margin such as retail and hospitality can be driven by HR initiatives and some companies in these sectors respect the place HR has at the table, such as the well regarded The Just Group and Voyages Resorts. Having said this, many companies in these sectors aren't highly sophisticated in terms of HR practice and HR professionals may find themselves having a strongly operational, non value added role because of the limited calibre of senior management.

The professional services is another sector that provides a challenge for HR in terms of the reactive natures of the product lifecycle limiting some planning opportunities, although over 8% of HR people are employed in this sector.

Also, industries that are driven by highly technically focused management teams can sometimes be challenging to recruit HR professionals for due to the often limited people management capability of the senior management teams.

The sector that continues to be challenged in Australia is manufacturing. With a strong A\$ hampering exporters and cheaper imports becoming more competitive, this sector will continue to be in the doldrums. Currently manufacturing employs 11% of HR professionals but there's a good chance this number will decline.

Conclusion

Whilst the Fairfax Employment Forecast does indicate some softening may occur, many industries are still expect to remain strong throughout the next 12 months and it suggests that there will not be much let up for talent acquisition professionals in the battle for talent.

Even if a specific industry declines, it's expected there will be strong demand for HR practitioners as the profession happily rides both sides of the economic cycle.

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